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International Court of Justice

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Official Transcript of the International Military Tribunal, in the matter of: The United States of America, the French Republic, The United Kingdom of Great Britain and Northern Ireland, and the Union of Soviet Socialist Republics, against Hermann Wilhelm Goering, et al, Defendants, sitting at Nurnberg, Germany, on 21 January 1946, 1000-1245, Lord Justice Lawrence, presiding.

M. GERTHOFER: Mr. President, Your Honors: At the end of the last session I had the honor of beginning the account of the French prosecution on the economic pillage; and in the first chapter I had indicated to you succinctly how the Germans had become masters of the means of payment in the occupied countries by imposing war tributes under the pretext of maintaining their Army of Occupation and by imposing so-called clearing accords, functioning to their benefit almost exclusively.

In a second chapter, entitled "Subjection of Productivity in the Occupied Territories", I had the honor of expounding to you that after the invasion the factories were under military guard and that German technicians proceeded to transfer the best machinery to the Reich; that the working population grouped themselves around the factories to ask for subsidies; and, finally, that the Germans had ordered the resumption of work and had reserved for themselves the right to designate provisional administrators to direct the enterprises.

At the same time, the Germans exercised a pressure over the rulers of the occupied countries and over the industrialists to bring the factories back to productivity.

In certain cases they themselves placed provisional German administrators in charge and insinuated that the factories would be utilized for the needs of the occupied populations.

On the whole, to avoid unemployment and to maintain their means of production, the industrialists little by little resumed their work, endeavoring to specialize in the manufacture of objects destined to the civilian populations.

Resorting to various means of pressure, the Germans imposed the manufacture of defensive armaments and then progressively of offensive armaments. They requisitioned certain enterprises, shut down thosewhich they did not consider essential, themselves distributed raw materials,

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and placed controllers in the factories.

The German control and seizure continually expanded in conformity to secret directives given by the defendant Goering himself, as can be seen in a document dated 2 August 1940, discovered by the Army of the United States, which bears the number EC 137, which I place before the Tribunal under Number 105. This is the essential passage of the document:

"The extension of the German influence over foreign enterprises is an objective of German political economy. It is not yet possible to determine whether the Peace Treaty derives from the yielding of participation and to what extent, but from this point on it becomes essential to exploit every occasion to permit German economy in time of war to base itself upon economic objectives that involve the occupied territories and to prevent work that might make the realization of the above-mentioned objective more difficult." End of quotation.

After having had knowledge of such a document, no further doubt is possible as to the intentions of the German directors and rulers. The proof of the putting into execution of such a plan results from a German document which will be read when the particular case of France will be called upon in the course of this expose.

The Tribunal will have acquaintance with a study of Michel, the Chief of the Administrative General Staff on Economic Questions, connected with the German military command in France, who brings out the extent of the dictatorship of the Reich over the occupied countries in economic matters. The control of the enterprises in occupied countries was assured by civil or military officials who were on the spot and also later by similar German enterprises who had become their Paten-Firma or home establishment.

To give an example of this economic domination, here are the orders received by an important French society. This involves the Thomson-Houston house, and I present it to the Tribunal under Number 106 in the French documentation, a letter addressed to this establishment. It is dated Paris, 8 October 1943, to Thomson-Houston, 173 Boulevard Haussmann:

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"You are fully responsible for the punctual execution and carrying out of the German orders which are passed to you, as well as towards the giver of orders who is competent for all the commands which are sent to France.

"To facilitate for you the execution of your obligations, the firm. Allgemeine Elektricitaets, Gesellschaft-Berlin, Friedrich Karl Ufer, is designated by me as the Paten-Firma. I attach the greatest importance to your working in a close comradeship on the technical level with the above-mentioned firm. The Paten-Firma will have the following functions.:

"First of all, to cooperate in the establishment of your production plan, to utilize your capacities. Second, to keep itself at your disposal for all technical advice which you might need, and to exchange experiences with you. Third, to serve as an intermediary when the case arises or negotiations with German services. Fourth, to keep me informed as to anything that might occur that might prevent or limit the accomplishment of your engagements.

"In view of assuring these steps, the Paten-Firma is authorized to delegate a Firmenbeauftragter to be a representative in your firm, and in case of need, engineers, technical engineers, from other German firms who may have handed you important orders.

"In order to permit the Paten-Firma to accomplish its task it will be necessary to give the firm or its Firmenbeauftragter the necessary documentation on everything that relates to the German orders and to their execution: First of all, by placing at its disposal your correspondence with your furnishers and with your subcontractors; second, by informing it of the manner in which the capacities of your factories are being utilized and permitting it to check on the production; third, by giving it knowledge of your connections and communicating to it your correspondence with the German services.

"It is your duty to inform the Paten-Firma or their Firmenbeauftragter of any orders which you may receive."

This is the end of the quotation.

Almost all the important enterprises were thus placed under the control of German firms in the occupied territories, with the double aim of favoring

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the Reich war effort and to achieve by progressive absorption an economic preponderance in Europe, even in case of a peace by compromise.

In the agricultural domain the Germans used similar means of pressure and made wholesale requisitions of produce, leaving the population only grossly insufficient quantities to assure their subsistence.

I now take up the third chapter devoted to individual purchases by the German military or civilian forces in the occupied countries.

If the present presentation cannot take up individual acts of pillage or the numerous acts committed in the occupied countries, it is important nevertheless to mention the individual purchases, these having been organized methodically by the German rulers to the benefit of their own nation.

At the beginning of the occupation the soldiers or civilians effected purchases by means of vouchers or tokens whose regularity and value was extremely doubtful and which had been handed them by their superiors; but presently the Germans had at their disposal a sufficient quantity of money which allowed them to purchase without any kind of rationing or by means of special vouchers considerable quantities of agricultural produce or of objects of all kinds, notably textiles, shoes, furs, leather goods, et cetera. It is thus, for instance, that certain shoe establishments were obliged every week to sell in exchange for special German vouchers 300 pairs of shoes for city use, men's, women's and children's shoes.

This is indicated in an important report of the French economic control, which I will have occasion to refer to several times in the course of this presentation and which I submit to the Tribunal under Number 107.

The individual purchases which constitute a form of economic pillage were, I repeat, not only authorized but organized by the German rulers. In fact, when the Germans returned to their country they were encumbered by

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voluminous baggage. A service of package sending postal service had been created by the Germans for the benefit of Germans living in the occupied countries. The objects were wrapped in a special kind of paper and provided with seals that enabled them to pass through the French customs stations on their entry into Germany.

In order to get an idea of the volume of the individual purchases, it is important to refer to the declaration of one Murdrel, ex-director of the Reichskreditkasse in Paris. Murdrel, who is at present held in Paris, specifies that on the 29th of October, 1945 - this is the declaration made by Murdrel on the subject of individual purchases. The Judge asked him the following questions:

"What were the needs of the Army of occupation? What purchases did you have to make on its account?"

This is Document 108. This is the testimony of Murdrel.

THE PRESIDENT: What are you doing about 107? Are you quoting from 107?

M. GERTHOFER: This is the report of the economic control -

THE PRESIDENT: You are asking the Tribunal to take judicial notice of that, are you?

M. GERTHOFER: I submit it to the Tribunal, and I shall make readings from it from time to time in the course of my declaration.

THE PRESIDENT: And now you are going to read 108?

M. GERTHOFER: Yes, I shall make readings from 108, on Page 9.

The Judge asked Murdrel the following questions:

"What were the needs of the Army of occupation? What purchases did you have to make on its account?"

The answer: "It is impossible for me to answer the first part of the question. I had tried during the occupation to inform myself on this point, but it was objected that this was a military secret which I had no right to know. What I can tell you is that we settled the pay of the troops, and that a private earned from 50 to 60 Marks, a non-commissioned officer, 50 percent more, and an officer considerably more, naturally. I have no idea of the forces that the occupation Army may

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have included, as these forces were extremely variable."

I skip a few lines to make this shorter. Murdrel adds:

"Aside from this, every soldier on leave returning from Germany had the right to bring back with him a certain number of Marks, 50. The same was the case for any German soldier who was stationed for the first time in France. We made the exchange of Marks for Marks, that is, exchanged Francs for Marks. I evaluate the total of the sume that we paid over each month in this way to 5 billion Francs, 5 billion Francs".

That is the end of the quotation.

One may thus evaluate to a sum of about 250 billion Francs, at least, that spent individually in France by the Germans, of which the greater portion was employed for the purchase of products and objects sent to Germany and to the detriment of the French population.

To evaluate the importance of this amount, I would say that about 60 billion Francs a year is greater than the budgetary receipts of the French budget in 1938, since this was only 54 billion Francs per year.

After having studied the individual purchases, I shall launch upon a fourth chapter consecrated to the organization of the black market by the Germans in the occupied territories.

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The population of the occupied countries had been subjected to a severe rationing of products of all kinds and they had left only grossly insufficient quantities for their own vital needs. This control and regulation left free a large quantity of the stock and of the production which the Germans seized, either by means of operations that were, to all appearances, regular requisitions, purchases by officials, offices and services, individual purchases, in exchange for vouchers of German priority.

We have just seen that these purchases represented for France only an average of five billion francs per month. But such a regulation and control had, as its corollary, a rarefaction of merchandise and the concealment of products affected to the end of keeping them from the Germans. This state of things gave birth in the occupied countries to what was called the "black market", that is to say, secret purchases made in violation of regulations on rationing.

The Germans themselves were not slow in proceeding to an ever greater extent, to purchases on the black market, usually through the intermediary of agents and of sub-agents, recruited amongst the most doubtful elements of the population, who were charged with finding where these products could be found. These agents, compromised by reason of violations of the legislation on rationing which they committed, benefited by a total immunity, but they were constantly under the threat of denunciations on the part of their German employers in case they should slow up or stop their activity. Often these agents also fulfilled functions for the Gestapo and were paid for the services by commissions, which they obtained on the black market.

The different German organizations in the occupied countries got into the habit of making secret purchases that became increasingly important in volume. Indeed, they began to compete amongst themselves for this merchandise, the chief result of which was to augment the price and they threatened to bring about an inflation. The Germans, while they continued to profit by the secret purchases, were anxious that the money which they utilized should maintain as high a value as possible. To obviate such a situation, the rulers of the Reich decided in June 1942 to organize purchases on the black market methodically. Thus Goering, the Plenipotentiary of the Four-Year Plan, gave on the 13 of June, 1942 to Col.

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J. Veltjens the mission of centralizing the structure of the black market in the occupied countries. This fact results from a document discovered by the Army of the United States, which I submit to you under Number 109 of the French Document Book. This includes three documents which are signed by the Defendant Goering, addressed to Col. Veltjens. I do not want to take the time of the Tribunal to give a complete reading of these documents but I think that they cannot be contested and if this should occur later, I should reserve for myself the privilege of reading them later, unless the Tribunal would prefer I read these immediately.

THE PRESIDENT: I am afraid we must adhere to our ruling that of which we cannot take judicial notice must be read if they are to be put in evidence. You need only read the portions of the document which you require to put in evidence, not necessarily the formal parts, but the substantial parts which you require for the purpose of your proof.

M. GERTHOFER: This is the letter of the 13 of June, 1942, signed by the Defendant Goering.

"The purchases of merchandise affected parallelly by the different organizations of the Wehrmacht and by other organizations have, in some of the occupied territories, created on the so-called black market, a situation which disturbs the methodical exploitation of these countries for the needs of the German war economy and is also harmful to the prestige indispensable to any military or civilian administration. This deplorable state of things can no longer be tolerated.

"I therefore charge you to regularize these commercial transactions in accordance with the services that are involved and particularly, with the Chiefs of the Administration of the occupied territories.

"In principle, commercial transactions in the occupied territories that are affected outside the framework of the normal provisioning or constituting a violation of price regulations, must be limited to special cases and can be carried out only with your previously given assent.

"I approve your proposal regarding the utilization for the removal of merchandise of the units controlled by the Reich and, above all, among these the R.O.G.E.S.

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"I beg you to submit, at the earliest possible date, a plan of work concerning the putting into effect of your activity in Holland, in Belgium, in France and Serbia. In Serbia it is Consul General Neuhausen who is to be in charge. This plan must involve, in addition to the seizure of port installations and the utilization of enterprises, whose closing may be envisaged in occupied territories.

"As to the results of your activity, I beg you to submit to me every month, through my representative, a report, the first of these to be submitted to me on July 1, 1942. If necessary, the Central Service of the Plan will make decisions concerning the distribution of merchandise thus purchased. (Signed) Goering."

Thereupon, on September 4, 1942, the Defendant Goering had given orders for the complete gathering together of all the merchandise that could be utilized, even if signs of inflation should result from this fact in the occupied territories. This is brought out by a report signed "Wiehl", relative to the utilization of funds derived from occupation expenses. I submit this to the Tribunal, under Number 110.

Shortly after, on 4 October, 1942, the Defendant Goering made a speech on the occasion of the Harvest Festival -- a speech that is reported in "Das Archiv" of October 1942, Number 103, page 645. In this speech the Defendant Goering implicitly brings out that he meant purchases on the black market in the occupied countries to continue for the benefit of the German population. I submit a copy of this article under Number 111 and I quote from the following passage:

"I have examined with very special attention the situation in the occupied countries. I have seen how the people in Holland, in Belgium, im France, in Norway, in Poland and everywhere, where we have become settled, how these people lived. I have noticed that although very often their propaganda spoke officially of the difficulty of their food situation, in point of fact this was far from being the case. No doubt everywhere, even in France, the system of ration cards has been introduced. But what one is able to obtain in exchange for these ration cards is but a supplement and people live normally on illegal commerce. This state of things has caused me to make a firm decision, a

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principle which I shall relinquish under no pretext.

"The first task which must come before all others is to assure the first place to the German people in the battle against hunger and in the problem of food supply. This is why I have decided that in territories which have been conquered and placed under our protection, the population shall no longer suffer from hunger. But if the enemy should get the idea of opposing our policy of food supply, it is then necessary that all should know that if there is to be famine anywhere it shall in no case be in Germany."

The United States Army has discovered a secret report, made on the 15 of January, 1943 by Col. Veltjens, in which he gives an account of his activity over a period of six months, to the Defendant Goering. This is Document 1765 PS, which I submit now to the Tribunal under Number 112. It is not possible for me to give a complete reading of this report. I shall simply read certain passages of it.

In the first part of his report Veltjens explains the

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reasons for the rise of the black market in these terms:

"(a) The reduction in merchandise as a result of the regulation and rationing.

"(b) The impossibility of making an effective blocking of our maintenance of prices.

"(c) The impossibility of making an adequate survey of prices on the German model by reason of the lack of personnel in the surveillance organizations.

"(d) The neglect in the appliance of counter-measures on the part of the local administrative authorities, especially in France.

"(e) The imperfect penal justice of the local judiciary authorities.

"(f) The lack of discipline amongst the civilian population."

Then under the same number (f), a little further, Veltjens indicates the activity of the German services on the black market.

"Assumes little by little such scope that it creates more and more unendurable situations. It was known that the black market operators offered at the same time their merchandise to several Bureaus and Offices and that it was the one which offered the highest price who obtained the merchandise. Thus, the different German formations not only vied with each other in obtaining the merchandise, but also they caused the prices to rise."

Further on his report, Veltjens indicates that he has assumed the leadership of the service created for the Four-Year-Plan Office in these terms:

"Finally, in June 1942, in accord with all the central services, the delegates for the Special Missions, B.F.S., was charged with taking in hand the seizure and the direction of the black market. Thus, for the first time was fulfilled the first necessary condition for effectively dealing with the problem of the black market."

In the second part of his report, Veltjens expounds the advantages of the organization in charge of which he was placed and he writes, among other things:

"It hasbeen claimed that purchases on the black market in their present

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volume and at the price which actually prevails, would not in the long run become too burdensome for the budget of the Reich. The answer to this may be given that the greater part of the purchases made have been made in France and have been financed by occupation costs. It is thus that for a total of 1,107,792,891 Reichmarks of purchases, 929,100,000 Reichsmarks have been put to the costs of French occupation and thus constitute in no way a charge for the Reich budget."

After having indicated the obstacles and handicaps of the black market, he concludes:

"To summarize, one must recognize that the situation -

THE PRESIDENT: What page are you now on, of this document?

M. GERTHOFER: This is page 17 of the report and 20 of the text.

THE PRESIDENT: Yes, I have it now, go on.

M. GERTHOFER: "In conclusion (Veltjens says) it must be recognized that the situation of the supplying of food to the Reich will no longer make it possible to give up purchases on the black market, even after this last has been skimmed, as long as their exists hidden stocks of merchandise useful for the conduct of war. In regard to this superior interest, every other consideration must disappear."

In a third section of the same report, Veltjens takes up the question of the technical organization of the services. Here are several relevant passages.

"The general direction of surveillance, especially organized to this intent, that is to say:

"(a) The surveillance service in France with headquarters in Paris.

"(b) Surveillance service in Belgium and Northern France with its seat in Brussels.

"(c) Surveillance service in Belgium and Northern France and an annex service in Lille, with its seat in Lille.

"(d) Surveillance service in Holland, with its seat in the Hague.

"(e) Surveillance service in Serbia, having its seat in Belgrade.

Then Veltjens indicates that the purchases themselves are affected by a limited number of purchasing organizations, which are authorized:

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for France 11, for Belgium 6, for Holland 6, for Serbia 3.

"It is thus (he writes) that all the purchases are subject to the central surveillance of the delegate for the Special Missions."

Further on Veltjens adds:

"The figure of the purchases and the transport of merchandise are affected by the R.O.G.E.S. of the Reich. The merchandise is distributed thereupon in the Reich by the R.O.G.E.S. in conformity with the instructions of the Central Plan or by departments designated by the Central Plan and each time in order of the urgency of the needs of the different qualified services."

In the fourth section of his report Veltjens reports the volume of the operations affected up to the date of November 30, 1942, that is to say in less than five months, since his organization had not begun its activity earlier than July 1, 1942. Here are the figures that Veltjens gives.

"The volume of purchases made: (a) since the inauguration of the purchases directed by the German commander or the Reich commissar, and of the directed distribution of merchandise in the Reich, there has been purchased a total of 1,107,702,818 Reichsmarks. In France, total amount of 929,100,100, Reichsmarks; in Belgium 103,881,929, Reichsmarks; in Holland 73,685,162,64, Reichsmarks; and in Serbia 1,125,727, Reichsmarks."

Veltjens adds: "The regulation has worked out in France - has been carried out on the basis of the occupation costs and in the other countries by means of the clearing device."

Then Veltjens gives a table of merchandise purchased in this way over the period of these five months. I shall simply give a summary to the Tribunal. First of all metals - 66,202 tons for a value of 273,078,287 Reichsmarks; second, textiles, for a total value of 439,040,000, Reichsmarks; third leather, skins and hides to a total value of 120,754,000, Reichsmarks. Veltjens adds:

"Besides these purchases there have been the following purchases: oils and industrial grease, oils and fats for consumers, wool, household articles, wines and spirits, engineering equipment, sanitary articles,

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sacks."

Veltjens then gives a table of the increase in prices during the five months. Then he raises the question, or rather he states the principle that the black market must be utilized solely to the benefit of Germany and be severely repressed when it is utilized by the populations of the occupied countries and on this subject he writes, and I quote:

"1. Develop the control of prices. Inasmuch as reinforcement of a control personnel, of a German control personnel is not possible, or is possible only to a limited extent, it will be necessary to obtain from the local administration authorities a greater activity, greater zeal in this realm.

"2. Apply severe penalties, according to the German methods, for violations of regulations. This is indeed, the only means of bringing about a remedy to the lack of discipline of the populations, a lack of discipline which goes back to the individualistic and liberal ideas and ways of these populations. A control of the sentences that have been passed by the local tribunals seems to be indicated.

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"Third: The promise of a reward in case of denunciation of the violations. The figures of these recompenses should be sufficiently high in relation with the value of the objects which are involved in the denunciation and which have led to a seizure of these goods.

"Fourth: The hiring of spies and of agents provacateurs.

"Fifth: Arrest or stoppage of all enterprises that are not working for the war industry.

"Sixth: Stoppage or fusion of enterprises whose capacity or production is only being partly exploited.

"Seventh: Increased control of the productivity of plants.

"Eighth: Close examination of the quantity of raw materials to be distributed at the moment of transfer of the market.

"Ninth: Policy of prices which are in accord with the enterprises of sufficient benefits and of a nature to guarantee an adequate price level."

Examining the demands of the rulers of the occupied countries with relation to the German purchases on the black market, Veltjens writes:

"In the recent period, the French and Belgian economic governmental services, among others the chief of the French Government himself, have complained about purchases methodically carried out by the Germans. In response to protests of this kind, it should be observed without prejudice to other arguments that on the part of the Germans, too, there is naturally the greatest interest in the disappearance of the black market, but that the chief responsibility for its persistence falls upon the governmental authorities themselves by reason of the incapacity which they demonstrate in controlling prices and the weakness which they show in judiciary punishment of violations, whereby they bring an encouragement to the spirit of rebellion, and lack of discipline of the population."

The Tribunal will allow me to stress the value of the argument developed by Veltjens by recalling to it that the Germans were the principal purchases on the black market, and that their agents benefitted from it by a total immunity.

Finally, speaking of the machines in the factories, Veltjens writes in his report:

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"The delegate to the special missions has moreover as his taks to proceed to the recuperation of machines existing in the inactive enterprises. Machines which thus are not being utilized, in particular tool machines, of which Germany has an urgent need for its war production, are extremely numerous.

"After an agreement among the delegates of special missions, the military command and the governmental power for the production of machines, there has been created in France, at the armament inspection service, a service for the distribution of machines (machinenausgleichstelle). The creation of a distribution service of machines which is comparable to this is provided for Belgium and Holland. One must expect to meet a serious resistance on this score as well on the part of the owners of factories as on the part of the local governmental authorities. The occupation authorities will have to utilize every means to break this resistance."

In conclusion, Veltjens alludes in his report to the R.O.G.E.S. Society, which was a specialized organization in the transport to Germany of the booty captured in occupied countries, and, more particularly, of produce obtained by operations of the black market. One of the directors of this service, one Ramis was interrogated on the 1st of November, 1945, and declared in substance that the R.O.G.E.S. Society had begun its activity in February 1941, succeeding another organization. On the whole he confirms the facts that are reported in Verljen's report. I shall therefore simply submit his interrogatories before the Tribunal under No. 113.

The scope of the operations on the black market --

THE PRESIDENT: Are you aksing us to take notice of this interrogation?

M. GERTHOFER: The interrogation was made in Nurnberg.

THE PRESIDENT: Yes; but unless you read all the parts of it that you wish now in court, it will not be in evidence.

M. GERTHOFER: I think that it is not necessary, because Mr. Ramis only repeats the indications given by Mr. Veltjens. It seems to me superfluous.

The scope of the operations on the black market is thus established by German documents which cannot be contested. I allow myself to remind you that these documents establish that in five months, in three countries, these

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operations amount to the sum of 1,107,792,818 Reichsmark. We shall come back to certain details in examining the special mission of certain countries, but it is necessary to indicate the reasons why the Defendant Goering in the end decided that the black market operations should be suspended.

On March 15, 1943, under the pretext of avoiding risks of inflation in the occupied countries, Goering decided that purchases on the black market would be suspended.

We have seen that the Defendant Goering worried very little about the fate of the populations of the occupied countries, since he had decided that purchases on the black market were to continue even if risks of inflation should occur. The real reason is th following:

Whereas, the official German services bought at prices that were strictly taxed by their services, the secret purchasing organizations at the same time accepted prives that were much higher. The merchandise was thus inevitably attracted by the black market, to the detirment of the official markets, and the secret products in the end absorbed the normal products. Finally, it must be added that the corruption brough on in certain groups of the Wehrmacht by such activities gave considerable anxiety to the German rulers. The black market was, therefore, officially suppressed on 15 March 1943, but certain purchasing offices continued their clandestine activity up to the moment of liberation, but in proportions that were much inferior to those which preceded the date of 15 March 1943.

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I quote a passage of this report, which gives an idea of the disorder created by the German activity, and which I referred to a moment ago under No. 107, which indicates why the authorities of the Reich officiallly suspended purchases on the black market. This is on page 21 of the French text. This was the period when champagne, cognac, and benedictine were handled in lots of ten to fifty thousand bottles, and goose liver past in tons.

From the beginning the general corruption had reached to very considerable numbers of officers of the Wehrmacht. Tempted by the lift of luxury which went on around them, this corruption extended so pervasively to the German military groups that from a simple canteen soldier to a higher officer each one committed the worst violtions and demanded commissions on every sale. In a clandestine sale of wool, the service was found in one case to be carried out by a general of the Luftwaffe. This extended to all levels of the army.

THE PRESIDENT: What page is this? You say it is in Document 107? Which document are you reading from?

M. GERTHOFER: Page 22 of the French document. Document 107. I began on page 21 -- the second paragraph from the bottom on page 21. Next to the last paragraph on page 21 was the beginning of the quotation.

It will be understood that in such a group, composed of people who were unknown and inaccessible, black market activities, handled without any documents and on a cash basis, without any other written evidence than that of the German offices, cannot be easily traced and evaluated today.

Born in the course of 1941, the commercial activity of the purchasing offices of Paris continued thus during about twenty months; but, after having reached its culminating point towards the end of 1942, this activity was suddenly to come to an end in March 1943, a victim of its own excesses. In effect, during the whole occupation, prices and products remained rigorously limited by the French services, and even more by the German economic services, which systematically opposed any increase in prices. Anxious above all to maintain a broad purchasing power for the French capital which they had at their disposal, but, whereas, the contractual furnishing served to

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the enemy were paid at prices that were barely above cost, the secret purchasing organizations accepted at the same time prices several times higher for the same products. In these products the escape of merchandise towards the German black market became increasingly large, while at the same time hidden manufacture multiplied toward the same end. The disorder became quickly such that in certain branches of industry contractual deliveries could not be guaranteed except with great delays, in spite of the threatening protests of the German services.

Totally beyond possibility of control, the French Ministry of Industrial Production had to inform the German authorities that national production soon would no longer be able to meet its obligations. This irremediable situation, joined to the necessity of putting an end to the unbelievable corruption provoked by the black market in the Wehrmacht circles, brought the Reich Government, if not to suppress the German black market in its entirety, at least to consider closing the Parisian purchasing offices. This measure was carried into effect on the 13th of March, 1943, as a result of the agreement between Bichelonne and General Michel. Meanwhile, and this is very significant, the German economic services did not fail to exact in compensation a notable increase in contingents through the agreements. Thus, for the Kehrl Plan alone, this increase amounted to 6,000 tons of textile produce. Only some offices were able until the liberation to maintain a certain amount of activity by trying to deal with the Commission for Purchases with the R.O.G.E.S., or with some military services purchasing cantonment furnishings or with the offices of the Luftwaffe or the Kriegsmarine.

THE PRESIDENT: Perhaps this would be a good time to break off for ten minutes.

(A recess was taken from 1120 to 1130 hours).

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In the course of my explanations I shall come back to the case of every particular country, concerning the black market operations, so as to be able to give a measure of their extent. But I think that right now it is established as well by the Russian report as well as by the passages from the French Economic Control Report, of which I had the honor to read to the Tribunal, that the black market is organized by the leaders of the Reich, and notably by the Defendant Goering.

And to finish the general observation concerning the economic plundering, I shall ask the Tribunal's permission to give a few explanations from the juridical point of view. It is this. It is treated in chapter five of the first part. The juridical point of view:

It is not contestable that organized plundering of the countries invaded by Germany is prohibited by the international Hague Convention signed by Germany and deliberately violated by her; even though her leaders never failed to invoke this Convention every time they tried to benefit by this Convention.

Section three of the Hague Convention called "The Military Authority over the Territory of the Enemy Government," which relates to the economic questions. These clauses are very clear and do not have to be discussed. If the Tribunal will allow me to recall them in reading--

Section three of the convention of the Hague; No.114 of the book of documents; and which is called, "The Military Authority over the Territory of the Enemy Government"; Article 42.

"The territory is considered as being occupied when it is placed under the authority of the hostile army. This occupation extends only to territory where such authority has been established and can be exercised."

Article 43. "The authority of the legitimate power having in fact passed into the hands of the occupant, the latter-

THE PRESIDENT: I think we can take judicial notice of these articles from the Convention.

M. GERTHOFER: I shall therefore not read this article, as they are known, and shall simply limit myself to certain juridical remarks. These texts of the Hague Convention show in a very illuminous way that the Germans

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could not comprehend in occupied territories the facts which were necessary to the maintenance of troops indispensable in occupied territories. All items which were levied beyond these limits will leave it in violation of the text which you know, and subsequently plundering.

Counsel for the defense may contend that all these prescriptions must be put aside, because Germany had given herself the aim of concluding the war against Britain and then against the U.S.S.R. and the United States of America. Defense may, moreover, pretend that because of this Germany was in a very necessitous state which had to checkmate the prescriptions of the Hague, and will try to incorporate Article 23-G, which allows to destroy or to seize even private property.

I shall immediately answer that this text does not lay down rules relating to the conduct of the occupant in enemy territory. These last prescriptions are contained, I repeat, in Articles 42 to 56. They were relevant to the attitude which must be covered in the course of the combat. It is seen in the expression, "No seizure of enemy property except in cases where these seizures are absolutely ordered by military necessity."

B. And no discussion as to translation can be referred to because actually the French text is binding, the word "seizing." I repeat, not to appropriate a thing, but to put it under the protection of justice with a view to leaving it unused in the state where she formerly was and to keep it for her true property or for him who can show rights to it. Such a seizure is permitted by the military authority so long as the action lasts, in order to keep the property from being used against the troops. But it does not authorize him in any case to appropriate it for himself.

The accounts of economic plundering are all contrary to the principle of international law formerly provided for by Article 68 of the Charter of the United Nations of the 8th of August 1945.

These constant violations of the Hague Convention did as a consequence enrich Germany and permitted her to continue the war against Britain, the Soviet Union, and the United States. Thus they ruined the invaded countries, the populations of which were subjected to a regime of slow famine; actually, physically weakened, and who, without the victory of the Allies, would be on the road to progressive sterilization. This inhuman conduct constitutes there-

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fore war crimes which come within the competency of this Military Tribunal, so far as the leaders of the Reich are concerned.

Before finishing this rapid summary of juridical questions, the Tribunal will permit me to advance an argument which will certainly be presented by the defense, notably so far as economic plundering is concerned. They will pretend that juridical jurisdiction did not exist; that the international penal law had not yet been formulated in any text at the time when the defendants perpetrated the acts which they were actually charged with, and that therefore they could not be condemned to any sentence whatsoever by virtue of the principle of non-retroactivity of penal laws.

Why, gentlemen, is this principle adopted by modern legislation? It is indisputably so that any person whatsoever who is conscious of never having violated any prescribed law could not be condemned because of acts which were committed in such conditions.

For example, somebody issues a check without funds before his country had adopted a penalty against such an offense. In this case the facts are quite different. The defendants can not pretend that they were not conscious of having violated legislation of any kind.

First of all, they violated international conventions: The Hague Convention of 1907, the Briand-Kellog Pact of the 27th of August 1938; and they also violated all the penal laws of the invaded countries. How shall, in this legislation, the economic plundering be qualified--theft, swindling, blackmail, and even, I will add, murder--to attain their aims. The Germans have premeditated and permitted numerous murders which enabled them to intimidate the proclamations to plunder them. According to the point of view of domestic law, these acts certainly fall under the application of Article 295 and the following ones of the French Penal Law, and notably of Article 303, which stipulates the guilt of murder on all offenders, whatever denomin ation, who, to execute crimes, resorted to torture or perpetrated barbarous acts.

I will add that the Defendants violated the German Penal Law, notably Articles 233 and following of the German Penal Law. Counsel for the defense will certainly stress that certain of the leaders of the

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invaded countries were in agreement with the Reich Government as to the economic collaboration, and that consequently these laws cannot be charged with acts which derive from these agreements. Such arguments must be refuted.

First, if in all the invaded countries, as a matter of fact, patriots resisted with more or less courage it is certain that some of them out of cowardice, fear, or just interest, turned traitor to their country. They have been or will be condemned. But the crimes committed by certain of them cannot be absolving or extenuating circumstances in favor of the Defendants, especially that they had very often put these traitors in direction of the occupied countries. The fact of having brought people to turn traitor towards their country only aggravates on the contrary the charges against the Defendants.

Secondly, these so-called agreements had all been obtained by pressure. The concluding contracts show that these contracts are solely in favor of Germany; as a matter of fact, never drawing any compensating considerations, or else they were illusionary leaders. Their service, more often, with the invader is shown up in the mere reading of these contracts.

I have the honor of showing it in our particular case. My general observations hereby are concluded, and if the Tribunal is willing we can examine the particular case of Denmark.

When the Germans, contrary to all the prescriptions of the League of Nations and to their engagements, invaded Denmark, they were not certain of rapidly dominating Western Europe. From the beginning they laid down the principle not to leave anything in the country. After their success of May, 1940, their attitude changed. As a matter of fact, little by little they treated Denmark more or less like the other occupied countries. Nevertheless, they seek to arrive at an annexation pure and simple, and took rigorous measures against the population only in the course of 1942, when they saw

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that they would not be able to win Denmark over.

From the economic point of view, and to assure their domination, they tried to have at their disposal the majority of the Danish means of payment. They used, to this effect, two methods to a great extent: the leaving of a veritable tribute of war, protecting the maintenance of their army of occupation, and, secondly, the functioning of the so-called clearing agreement. These two methods should be studied in chapter one of this statement.

German Seizure of the Means of Payment.

1. Expenses of occupation. Article 49 of the Hague Convention stipulates that if the occupant levies a contribution this money will only be for the army of occupation or for the administration of the country. The occupant can therefore levy a contribution for the maintenance of the army, but this contribution must not exceed the strict necessary sum; on the other hand, the needs of the army of occupation without expense to armament and equipment, but merely the expenses for board and lodging and the pay of the soldiers--I say normal expenses, in which, therefore, luxury expenses are excluded.

Article 52 authorizes the occupying power to exact from the communes of the inhabitants for the needs of the army requisitioned in kind and service, with the express condition that they should be proportionate with the resources of the country, and it amounts to such that they should not imply for the population the obligation to take part in limiting their obligations against their country.

The same Article 52 stipulates that levies in kind shall be paid so far as possible in cash; otherwise they will have to be established in receipts and the paying in of sums as soon as possible.

In other words, the Hague Convention can make the occupying army levy in occupied territories that which is necessary for the maintenance of the troops. But under two conditions, apart from cash contributions:

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1. That the levies and the service should be proportionate to the resources of the country, that is to say, that cash should be left over for the inhabitatns at least that will enable them to live normally.

2. Pay the levies as soon as possible. This does not mean a fictitious payment made with the funds from occupied countries, but this means real payments, which imply furnishing of effective compensating consideration.

Article 53 of the Convention of the Hague which permits the occupying powers to seize everything which could be turned against them--but in particular, cash, funds, securities of all kinds belonging to the State of the occupied country is not authorized by the occupying power.

According to information furnished by the Danish Government, when the Germans entered Denmark they declared that they would not demand anything from the country, but that the German Army should be supplied by convoys coming from the Reich.

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Nevertheless, instead of buying Danish crowns to permit their troops to spend money in Denmark, as early as 9 May 1940 they imposed the circulation of notes of the Reichskreditkasse -- which is shown in Number 26 of the Vobif, which I have already submitted under number 92. Upon the protestations of the National Danish Bank against the issuing of foreign paper money, the Germans withdrew these notes from circulation, but demanded the opening of an account at the National Bank, promising to draw upon it for sums which were indispensible for the maintenance of the Army in Denmark and for these sums only.

But the Germans did not lose time in violating their promises and in levying, on their account, in spite of the Danish protestations, sums infinitely superior to the needs of the army of occupation.

According to the information given by the Danish Government, the Germans levied, per month, in 1940, 43 million crowns; 37 million crowns in 1941; 39 million crowns in 1942; 83 million crowns in 1943; 157 million crowns in 1944; 187 million crowns in 1945. The total of these levies amcunts, according to the Danish Government, to 4,830,000,000 crowns.

I submit, under number 115, the financial reports of the Danish Government concerning this, a report to which I shall refer in the course of this statement.

The indications of the Danish Government are corroborated by a German document discovered by the United States Army, EC-86, page 11, which I submit to the Tribunal under the number 116. This is a secret report of the 10th of October, 1944, written by the labor staff for foreign countries, and which concerns the financial leaders in occupied territories.

On page 11 it issaid that Denmark is not considered as occupied territory, and therefore does not pay occupation expenses. The means of payment necessary to the German troops are put at the disposal of the high administration of the Reichskreditkasse by the Central Danish Bank, by the channels of ordinary credit.

Anyway, total levies are shown by Denmark.

The writer of this report says that the levies to the 31st of March, 1944, for occupation expenses, amount to: 1940-1941, 531 million crowns;

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1941-1942, 437 million crowns; 1942-1943, 612 million crowns,; 1943-1944, 1,381,000,000 crowns. This represents, up to the 31st of March, 1944, levies amounting to 2,971,000,000 crowns. This corresponds to the information given by the Danish Government for approximately the same period, 2,723,000,000 crowns.

The same German report shows that the rate of exchange for the mark, as compared to the rate of exchange for the crown, had been fixed by the occupying powers from 47.7 to 53.1 marks per hundred crowns.

Even though the Germans pretend, against all evidence, that Denmark was not an occupied territory, they levied in this country the total sum of 4,830,000,000 crowns, an enormous sum, seeing the number of inhabitants and the resources of the country. In reality, this was nothing other than a war tribute which the Germans imposed under the pretext of furnishing means of payment to her army, which was stationed in Denmark. The maintenance of the army necessary to the occupying of Denmark did not necessitate such important expenses, and it is evident that the Germans used, as in other countries, the majority of the funds extorted in this manner from Denmark to finance their war effort.

Chapter 2, Clearing:

In 1931 Germany was up against financial difficulties, which she used as a pretext to declare a general moratorium on all her previous engagements. Nevertheless, to be able to continue, to a certain extent, her commercial operations with foreign countries, she concluded, with a majority of the other nations, agreements permitting the payment of her commercial debts, and even of certain financial debts, on the basis of a system of compensation called "clearing."

Ever since the beginning of the occupation -- the 9th of April, 1940 -- and for its duration, the Danish authorities did everything they could, but in vain, to counteract theGerman activity in this domain. Under the pressure of occupying forces Denmark could not prevent her credit for the clearing balance from constantly increasing, owing to the German purchases which weremade without the furnishing of any compensating counterpart.

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According to the Danish Government, the credit balance of the account progressed in the following way: 31 December, 1940, 388,800,000 crowns; 31 December 1941, 784,400,000 crowns; 31 December 1942, 1,062,200,000 crowns; 31 December 1943, 1,815,800,000 crowns; 31 December 1944, 2,694,000,000 crowns; 31 April, 1945, 2,900,000,000 crowns.

These data are corroborated by the date of the German report which I submitted a few minutes ago under number 116, and according to which, on the 31st of March, 1944, the Germans had procured for themselves means of payment, through clearing, amounting to a total sum of 2,243,000,000 crowns.

It has not been possible to establish the use which the occupants made of the sum of 7,730,000,000 crowns which they procured fraudulently and to

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the detriment of Denmark, with the help of the indemnity of occupation and of clearing.

The information which we have up to now does not enable us to estimate the extent of the operations carried out by the Germans on the black market. Nevertheless, the writer of the report which I have presented previously, of the 10th of October, 1944, indicates: "We must put aside all estimation of the sums which were used on the black market. Nevertheless, it must be admitted that members of the Wehrmacht used to buy, at top prices, butter and other products in Denmark. But it is impossible to fix these sums even approximately, for the black market seems to be less vast and less well coordinated than in the other occupied territories of the West, and is closer to the structure of the German black market and of the rather confused prices. Nevertheless, the prices of the Danish black market can generally be considered as much lower than the German prices. It is, therefore, not possible to speak of an average price, of an average high price, as in France, Belgium and Holland."

What could be remembered is that the Germans, and especially members of the Wehrmacht, used to operate on the black market in Denmark, and that the paying of expenses was done with funds extorted from Denmark. Concerning the acquisitions, which seemed regular in appearance, we lack the necessary information to be able to give precise indications. Nevertheless, according to a secret report of the 15th of October 1944, addressed by the German office of the Economic Staff of Germany to his superiors of Frankfurt an der Oder - a document discovered by the United States Army, and which I submit under the number 117 - the following goods were levied by his department:

From January to July, 1943 30,000 tons of turf.

May 1944, 6,000 cubic meters of wood.

The writer adds that they tried to push this production to 10,000 cubic meters per month.

September 1944, 5,785 cubic meters of cut timbers; 1,110 meters of uncut timber; 1,050 square meters of plywood; 119 tons of paint for ships;

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and special wood for the navy.

Gentlemen, this is but a short enumeration of the levies which just one German section happened to make. Denmark had to furnish important quantities of cement. Germans furnished her, in exchange, with the coal necessary for this fabrication.

According to this report which I have mentioned, in August 1944, the Germans bought, in Denmark, for over 8,312,278 crowns, foodstuffs. These numbers are below the truth. According to the last information we have received from the Danish Government, the levies of agricultural things alone amounted, on the average, to 70 million crowns per month; which represents, for 60 months of occupation, levies of a value of 4,700,000,000 crowns, levies which were not followed by payment.

Apart from all that which they managed to buy with the help of crowns which were deposited in their accounts under the pretext of the maintenance of the army of occupation, and also by the method of clearing, the Germans apprehended an important quantity of things without having paid for them in any regular manner. It was in this way that they appropriated things of the Danish Army and Navy; Lorries, horses, means of transportation, furniture, clothes, and so on. To this day this has been estimated at about 850 million crowns, but that is probably below the truth. Many requisitions and secret, or even apparent purchases, have not yet been exactly estimated.

In this report the Danish Government estimates -

THE PRESIDENT: (Interposing): Where do these figures come from?

M. GERTHOFER: These figures come from the report of the Danish Government, number 105.

THE PRESIDENT: Did you say document 105?

M. GERTHOFER: One hundred and fifteen.

The same report, submitted under number 115, contains, on the part of the Danish Government, an estimation

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which is rather approximative, and for the time being only, of the damages sustained by Denmark and of the German plundering, which is estimated at 11,600,000,000 crowns.

The information which we have to date does not permit me to give any more particulars concerning Denmark. I will, therefore, if the Tribunal will permit me, begin with particulars in the case about Norway.

THE PRESIDENT: Are you submitting a document book with this?

(The document books were submitted.)

M. GERTHOFER: The Economic Plundering of Norway: The German troops had only arrived in Norway when Hitler declared, on the 18th of April, 1941, that they should proceed to the economic exploitation of this country which, for this reason, must be considered as an enemy state.

The information which we have on the economic plundering of Norway--

THE PRESIDENT (Interposing): One moment; is that date right? Is it the 18th of April, 1941?

M. GERTHOFER: I am sorry, it is 1940.

The information which we have on the economic plundering of Norway is rather brief, but it is, nevertheless, sufficient to enable us to estimate the German activity in this country during the duration of the occupation.

Norway was subjected to a regime of most severe rationing. As soon as they entered this country, the Germans tried--and this was contrary to the most elementary principles of international law--to draw from Norway the maximum of resources possible.

In a document discovered by the United States Army, number EC-834, and which I submit under the number 118--a document which is made up by the Journal De Marche of Economic and Armament Service in Norway, written in May, 1940--we have excerpts of the directives relative to the administration and to the economy in the occupied territories. Here are some excerpts from this document:

"Directive of Armament Economy:

"The Norway industry, to the measure which she does not directly supply the population, has, in her essential branches, a particular importance for the German war industry. That is why her production must be put, as soon as

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possible, at the disposal of the German armament industry, if this has not yet already been done. She consists, in one part, of intermediate products which demand a certain amound of time to be transformed into finished, useful products; and, on the other hand, in raw materials which--such as aluminum, for example--can be used whilst we wait. But our own factories, which are being built, will be in a position to produce.

"For this question we must, above all, take into consideration the following industrial branches: Industries for the production of zinc, nickel, iron with a certain basis, wolfram, molybdenum, silver, pyrites; metallurgical factories for the production of aluminum, alumina, nickel; industrial production for explosives, synthetic acetates, acetates of calcium, superphosphate, carborate of calcium and soda base products; armament industries, naval dockyards, electric energy, electric energy furnished and from which depends all the industrial branches enumerated above.

"The production capacities of these industrial branches must be maintained for the duration of the occupation at the highest possible levels.

"Certain help coming from the Reich is, from time to time, necessary to surmount the difficulties which come from the seizing of English imports, or those coming from overseas.

"It is most important to assure this aid as far as the industries of raw materials are concerned, the production of which is based essentially on the imports coming from overseas. We can not for a moment overlook the question of the imports of bauxite coming from the German stocks and which can be used by the metallurgical factories of aluminum."

As soon as the troops entered Norway, Germany issued notes of the Reichskreditkasse which were only legal in Norway and which could not be used in Germany. As in the other occupied countries, this was a means of pressure to obtain financial advantages, which were supposedly freely accorded by these brutally enslaved countries.

The Germans did their best to become masters of the means of payment and of Norwegian credit by two classic methods; imposition of war tribute on the pretext of the maintenance of the occupational army, and also by the functioning of a system of clearing to their profit.

German seizure of all the means of payment. First of all, indemnities for the maintenance of the army of occupation.

At the beginning of the occupation, the Germans used to purchase with notes of the Reichskreditkasse. The Norwegians who had this paper money used to change it at the Bank of Norway, but this financial institution could not obtain from the Reichskreditkasse any real counter-value. In July, 1940 the Bank of Norway had 135,000,000 Rm. which came from the Reichkreditkasse, and the Bank of Norway was obliged to put the Norwegian notes at the disposal of the Germans. They used to draw checks on the Reichskreditkasse which the Bank of Norway was obliged to let go.

The debt account of the Bank of Norway, following the German levies, amounts to 1,450,000,000 crowns at the end of 1940; 3,000,000,000 crowns at the end of 1941; 6,300,000,000 crowns at the end of 1942; 8,700,000,000 crowns at the end of 1943; and 11,676,000,000 crowns after the liberation of this country.

All the Norwegian protestations were vain when they tried to do something against it. The constant threat of the new issuing of notes of the Reichskreditkasse as instruments of obligatory payment next to the Norwegian currency obliged the local financial authorities to accept the system of levies in account without actual counter value, which was less



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dangerous than the issuing of paper money, over the circulation of which the Norwegian administration had no power of control.

This resulted in particular from the secret letter sent on 17 June 1941 by General von Falkenhorst, commander in Norway, to the commander of the Reich, Reichsleiter Terboven, a copy of which was found not so long ago in Norway and which I submit to the Tribunal under Number 119.

In this document, after having stated that one could not reduce the expenses of the Wehrmacht in Norway, von Falkenhorst writes:

"I am nevertheless of the opinion that the problem cannot at all be resolved in this manner. The only remedy is to completely abandon the actual monetary system; that is to say, the introduction of Reich currency. But, of course, this does not belong to my domain. That is why I also regret not being able to offer you any other remedies, even though I am perfectly conscious of the seriousness of the situation in which you find yourself."

To the indemnities for the pretended maintenance of the army of occupation must be added a sum 380,000,000 crowns paid by the Norwegian Treasury for the billeting of the German troops. This information comes to us from a report from the Danish Government, which I submit under the Number 120.

From the sum of approximately 12,000,000,000 crowns levied for the pretended maintenance of the occupation troops, a great part was used for other things; notably for the expenses of the police and propaganda. The occupier spent 900,000,000 crowns for these two things.

This comes from a second report of the Danish Government, which I submit under Number 121.

Clearing: The clearing agreement of 1937 for the barter of goods between Norway and Germany remained in force during the occupation, but it was the Bank of Norway which had to advance the necessary funds for the Norwegian exporters.

The Germans also concluded clearing agreements in the name of Norway with other occupied countries, neutral countries, and with Italy.

At the liberation, the creditor balance of the Norwegian clearing amounted to 90,000,000 crowns, but this balance does not show up the actual situation, for:

One, the imports destined to the military German needs in Norway were handled through the clearing in a very abusive manner;



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Two, for certain goods--skins, furs, and fish, the Germans had decided that the exportation should be made into the Reich. Then



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they sold these products in other countries, especially in Italy, as far as the fish was concerned;

Three, the Germans, who were masters and upon whom depended the fixing of prices, systematically raised the price of all raw products imported into Norway and which were used for the great part for the military needs of the occupiers. On the other hand, they systematically drove down the prices of the products exported from Norway.

In spite of all their efforts and all of their sacrifices and owing to the fraudulent operations of the occupiers, the Norwegian authorities could not hinder a very dangerous inflation. From the report of the Norwegian Government, which I submitted under Number 120 a few moments ago, it is seen that the figure of circulation, which in April 1940 amounted to 712,000,000 crowns, rose progressively to reach, on 7 May, 1945, 3,039,000,000 crowns. A inflation of this extent, which is the consequence of the activities of the occupiers, enables us to measure the impoverishment of this country.

The same report indicates that the Germans did not manage to seize the gold of the Norwegian Bank, as this had been hidden in good time.

Let us now, gentlemen, examine the levies in nature. The Germans proceeded in Norway to numerous requisitions which were or were not followed by so-called regular payments.

According to the report of the Norwegian Government, here is the list of requisitioned goods:

| | |
|---|---|
| Meat | 30,000 tons |
| milk, eggs, etc | 61,000 tons |
| fish | 26,000 tons |
| fruit and vegetables | 68,000 tohs |
| potatoes | 500,000 tons |
| vinegar and allied products | 112,000 tons |
| shortening | 10,000 tons |
| wheat, flour | 3,000 tons |
| other items | 5,000 tons |
| hay | 300,000 tons |



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| | |
|---|---|
| other articles of same nature | 13,000 tons |
| soap | 8,000 tons |

But this statement which I have just read to the Tribunal does not include the German purchases which were made with Norwegian currency or which were paid for through clearing. Right now it is not yet possible to determine or to appreciate the total extent of this. We can, however, say that the export of fish, which all went to Germany in the majority of cases, came to about 202,400 tons, whereas the official requisitions did not go past 26,000 tons.

As in other occupied territories, the Germans forced the continuance of work under threat of arrest.

The greatest part of the merchant fleet was hidden from the Germans. Nevertheless, they requisitioned all ships which they could, notably, the majority of the fishing fleet.

If the occupier could not seize all railway rolling stock, tramways were transported to Germany, as well as about 30,000 motor cars.

If we refer to the report of 10 October 1944 of the German Economic Services, which I submitted under Number 116, we will see that the writer of the report himself estimates that the effort demaned from Norway was above her possibilities, and he writes:

"The Norwegian economy is seriously undermined by the exactions of the occupiers. It is for this reason that we had to limit the cost of occupation to one part only of the expenses of the Wehrmacht."

After having mentioned that the cost of occupation which had been taken up to January 1943 amounted to 7,535,000,000 crowns, which corroborates the data given by the Norwegian Government, the writer of the German report says:

"This sum of over 5,000,000,000 Rm. is very high for Norway. Much richer economies, as for example, that of Belgium, pay expenses which are hardly higher, and Denmark does not even furnish half of this sum. These huge levies are only made possible thanks to advances which were consented to by Germany. It is, therefore, not surprising that the exterior German-Norwegian commerce should have a very active character for Germany. That is to say, that it consists of

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advances. Norway, owing to her very small population, can hardly put labor to the disposal of the German war economy. She is therefore one of the rare countries which are our debtors in the clearing."

Further on the writer adds:

"If we can deduct from these 140,000,000 Rm. the expenses of occupation and various credits calculated for after, we come to arrive at an important quantity of Norwegian levies; that is to say, approximately 4,900,000,000 Rm."

THE PRESIDENT: Perhaps that would be a good time to break off.

(Whereupon at 1245 hours the hearing of the Tribunal adjourned to reconvene at 1400 hours.)

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Official transcript of the International Military Tribunal in the matter of: The United States of America, the French Republic, The United Kingdom of Great Britain and Northern Ireland, and the Union of Soviet Socialist Republics against Hermann Wilhelm Goering et al, Defendants, sitting at Nurnberg, Germany, on 21 January 1946, 1400-1700 hours, Lord Justice Lawrence, presiding.

We continue with the expose of economic pillage in Norway. I had the honor this morning of informing you of the fact that the occupants required a great amount of material in payment from Norway. We shall now expound the manner in which the occupants required these payments.

The Germans, as in the other occupied countries, seized considerable private property, most often on some pretext or other - property belonging to Jews, Free-masons, Scout associations, et cetera. It has been impossible thus far to establish a very direct evaluation of these spoilations. We can only give some indications of them at this time. According to the report of the Norwegian Government in 1941, the Germans seized -

THE PRESIDENT (interpolating): Have you any evidence to support the facts you are stating now?

M. GERTHOFER: This is based on indications contained in the report of the Norwegian Government which I have submitted under No. 121. According to the same report, in 1941 the Germans seized almost all the radios belonging to private individuals. The value of these radios is approximately 120 million Kronen. The Germans imposed heavy fines on the Norwegian comunities under the most varied pretexts, notably Allied bombing raids and acts of sabotage.

In the report presented under No. 121 the Norwegian Government gives two or three examples of these impositions of collecting fines. On March 4, 1941, after a raid on Lofoten, the population of the small community of Ostvagoy had to pay 100 thousand Kronen. Communities had also to support German families and families that were related to the Quisling movement. On 25 September 1942, after a British raid on Oslo, one hundred citizens were obliged to pay 3 million 500 thousand Kronen in damages. In January 1941, Trondheim, Stavanger and Vest-Opland had to pay 60 thousand, 50 thousand, and

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100 thousand Kronen, respectively. In September 1941, the municipality of Stavanger was obliged to pay 2 million Kronen for an alleged sabotage of telegraph lines. In August 1941, Regaland had to pay 500 thousand Kronen, and Alesund had to pay 100 thousand Kronen.

It can thus be stated as a principle that by various pr ocedures which were barely different from those employed in other countries the Germans, during the occupation of Norway, not only exhausted all its financial resources but placed the country considerably in debt. It has not been possible to furnish a detailed account of the German exaction made either after requisitions followed or not followed by indemnities or by purchases, in appearance voluntary ones, fictiously regulated by means of payments that were extorted from Norway. In the report which I have submitted under No. - 121, the Norwegian Government summarized the damages and losses undergone by its country in a table. I shall give a summary of this table to the Tribunal.

The Norwegian Government estimates that the damage and losses undergone by industry and commerce amount to a total of 440 million Kronen, of which the Germans have made settlement, fictiously to be sure, only for 7 million Kronen; merchant vessels having a value of 1 billion 733 million Kronen, for which the German Government has made no settlement; on ports and installations the sum is 74 million Kronen, on which the German Government has fictiously settled only to the extent of 1 million. On railroads, canals, airports, and other installations the sum is 947 million, of which Germany has fictiously settled for 490 million Kronen; roads and bridges, 199 million Kronen, of which the settlement amounts to 67 million. Spoilation of agriculture reached 242 million Crowns, of which only 146 million have been settled; domestic and personal business, 239 million, of which nothing has been settled. Various requisitions, not included in the preceding catagories, amount to 1 billion 566 million Crowns, of which the occupant, fictiously, has settled to the amount of 1 billion 154 million Kronen.

The Norwegian Government estimates that the years of man labor represent a sum of 226 million Crowns. It estimates, on the other hand, that the years

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of man labor lost for the national economy by forced deportation to Germany and forced labor on the order of Germany in the national territory amounts to 3 billion 122 million Kronen. Forced payments to the German authorities amounts to 11 billion 54 million Kronen, of which Germany has made no settlement whatsoever. The grand total, according to the Norwegian Government, is 22 billion Kronen, which represents more than 4 billion dollars.

Norway particularly suffered during the German occupation. Indeed, if its resources are considerable, notably wood in its forests, minerals, such as nicke, wolfram, molybdenum, sinc, copper, aluminum, Norway must import consumer goods of first necessity for the feeding of its population. As the Germans had absolute control over maritime traffic, nothing could come into Norway without their consent. They could therefore, by means or pressure, as they were to do in France with the line of demarcation between the two zones, impose their exactions more easily. The rations were insufficient to insure the subsistence of the Norwegian population. The continued undernourishment over a period of years entailed the most furious consequences: disease increased, mortality likewise increased, and the future of the population is compromised by the fact of the physical deficiencies undergone by its younger elements.

These are the few observations which I had to make on the subject of Norway. I shall now deal with the aspect of the subject that relates to the Netherlands.

Economic pillage of the Netherlands: In invading against all the principles of rights of people of the country of the Netherlands, the Germans set themselves up in a country abundantly provided with the most varied wealth in one of the countries in which the inhabitants were the best nourished of Europe, and which, in regard to the number of its population, was one of the richest in the world. The gold reserve of Holland was superior to the amount of bills in circulation. Four years later, when the Allies liberated this country, they found the population afflicted by a veritable famine, and aside from the destructions which was the consequence of the military operations, a country almost entirely ruined by the spoilations of

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the occupants.

The dishonest contentions of Germany appear in a secret report by Seyss-Inquart of his governorship, a report dated 29 May to 19 June 1940, discovered by the Army of the United States, registered under the number 997-PS, which I submit before the Tribunal under No. 122. These are the chief extracts which I wish to read from this report:

"It is certain that in occupying the Netherlands it was necessary to take a considerable number of economic measures and even police measures, the first of which had astheir object the diminishing of the consumption of the population, on the one hand to put supplies and provisions at the disposal of the Reich, and on the other hand in order to assure an equal distribution of the remaining produce. Before the problem was considered it was necessary to see to it that all those measures should bear the signature of Netherlanders. This is why the Secretaries - General, with the consent of the Reichskommisar, were given the possibility of taking all the necessary measures by legal means. Indeed, until now all the instructions relative to the seizure and distribution of produce and supplies to the population, and all the decrees and ordinances relative to restrictions, have been published; but agreements on the transportation of a considerable number of supplies has also been achieved - agreements which bear the signature of Secretaries - Gernal of the Netherlands or of the chiefs responsible for economy, to the end that all these measures should present entirely the character of voluntary operations. On this occasion it is necessary to point out that in the course of the first interview the attention of the Secretaries - General was drawn to the fact that an open and frank collaboration was expected of them, but that, on the other hand, they had the right of withdrawing in case an occasion should arise in which it would seem to them impossible to guarantee their own responsibility. Until the present no Secretary-General has taken advantage of this right, and it may therefore be concluded that they voluntarily have given satisfaction to all the demands that have been presented to them. The gathering, collection, and the distribution of all the food supplies and textile produce have approximately been

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carried out. In any case, all the instructions on the subject have been published and are in the course of execution. A series of instructions relative to the new direction of agriculture, a new direction that is prescribed by agriculture, has been published, and is in the course of being carried out, particularly those having to do with the utilization of feed, which is available, so that the greatest number of livestock, about 80 per cent of the number of hens and hogs, may be kept until the next campaign. A regulation and diminution were introduced into the domain of transports, and the matter of the principles of economic direction of fuel for the Reich were applied. The restrictions relative to the licensing in the realm of labor, as well as those relative to the renting of apartments, have been done away with in order to restrain and limit the liberal and capitalistic habits of the Netherland entrepreneurs and to avoid difficulties in the same order of ideas. For determined cases the due - date of debts have been remitted.

Ordinances relative to information services and the confiscation of persons having a hostile attitude towards the Reich and to Germany have been published under the signature of the Reichskommissar. On the basis of this ordinance an administrator for the royal fortune was named. The reserves of raw materials have been seized and distributed with the authorization of the Generalfeldmarschall, according to a plan intended to leave to the Dutch enough raw materials for six months, in order to allow them to maintain their economy. They thefore received the same quantity as Germany.

The same treatment was applied as concerns supplies in food. Considerable reserves of raw materials could thus be put at the disposal of the Reich; thus, for instance, 70 tons of industrial fats, which must present approximately half of the quantity which the Reich is lacking. A regulation on produce according to the system enforced in the Reich was promulgated.

Finally, the state of Netherlands was asked to place at the disposal

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of the Reich the means which the German administration might need in the Netherlands in order that those expenses should in no way hinder or embarrass the budget of the Reich. Sums in Florins were released to a value of 36 millio to withdraw from circulation bills of the Reichskreditkasse. In addition, 100 millions were utilized for the needs of the army of occupation, and more especially, for the enlargement of air fields; in addition, 50 million for the purchase of raw materials to be transported to the Reich in so far as they have not the character of duty; and in addition, to assure the free transfer of savings which the Dutch workers in the Reich might send to their families.

Finally, the rate of the Reichskreditkasse bill, which had been fixed by the OKH at one Florin for 1.5 Reichsmark, was brought back to its normal relation, that is, one Florin for 1.33 Reichsmark. But above all, it became possible to indure the president of the Netherlands bank, Trip, to adopt a measure that was proposed with the agreement of the Generalfeldmarschall by the Generalkommissar Fischboehle. This involved the reciprocal and unlimited acceptance of German and Netherlands stocks; that is to say, the Netherlands Bank was obliged to accept any sum in marks which the Reichsbank might deliver to it, and to give Florins in exchange at the rate of 1.33. In other words, one mark was equal to 75 cents. Only the Reichsbank had the right to control in the matter, but the Netherlands Bank was informed only in the case of certain specified transactions.

"This regulation exceeds any of these that had been carried out up to now with neighboring countries in the economic realm, even with the protectorates, and represents a step toward financial justification.

"In considering the importance of this agreement, which affects directly the independence of the Netherlands State, this admirable result was achieved, that is to say, that the president of the bank, Trip, well known in the financial and banking world of the East, 'freely' signed this contract.

"Signed: Seyss-Inquart."

As you will see through the explanations which I shall furnish you, it wa chiefly in the Netherlands that the Germans were to have the ingenuity of

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seizing control of the means of payment. This spoliation will form the subject of a first chapter. We shall thereupon examine the use made by the occupant of these means of payment; in a second chapter we shall discuss the black market; in a third chapter we shall consider the accusations made - only in appearance -- in a regular manner; a fourth chapter will be devoted to various kinds of spoliation. Finally we shall picture the chief consequences to the Netherlands of this economic pillaging.

Chapter One, German Seizure of Means of Payment.

First, Indemnity for Costs of Occupation.

I have already had the privilege of explaining under what conditions and within what limit by virtue of the Hague Convention the occupying power may raise contributions in money for the maintenance of its army of occupation. I shall limit myself to reminding the Tribunal that these expenses which are charged to the occupied countries can include only costs of billeting and feeding and paying soldiers strictly necessary to the occupation of territories. The Germans knowingly ignored these principles by imposing upon the Netherlands the payment of an indemnity for the maintenance of troops which were out of proportion to the needs of the latter. According to the information furnished by the Netherlands Government, contained in three reports -- the Trip report, the Hirschenfeld report and the Ministry of Finance report -- which I submit under No. 123, the following sums were exacted on the pretext of being an indemnity for the maintenance of occupation troops:

1940, for the duration of seven months, 477,000,000 florins.

1941, 1,124,000,000 florins.

1942, 1,181,000,000 florins.

1943, 1,328,000 florins.

1944, 1,757,000,000 florins.

1945, for the duration of four months only, 489,000,000 florins. --

A total of 6,356,000,000 florins.

A sum as considerable as this constitutes a veritable war tribute raised on the pretext of the necessity of maintaining an army of occupation. Germany thus fraudulently violated the dispositions of the Hague Convention to seize a considerable mass of means of payment.

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Second, Clearing.

In 1931 Germany, which was obliged to face economic and financial difficulties, declared a general moratorium on its previous commitments. Nevertheless, in order to be able to continue its external commercial operations, it had concluded with most of the other countries -- notably with Holland -- agreements making possible the regulation, the settling of commercial debts and to a certain extent of financial debts, on the basis of the compensation or clearing system. Before the war there existed in the Netherlands "clearing" -- an excess of imports from Germany; byt after the first months of occupation there was on the contrary a considerable excess of exports to Germany, while the receipts coming from this country very perceptibly dropped.

From the month of June, 1940, on, the Germans exacted of the Netherlanders declarations of foreign specie, gold, precious metals, papers of value, stocks, and foreign credits, as is indicated in the ordinance of June 1940, under No..95. Moreover, the Dutch could by vitue of the same ordinance be obliged to sell their stocks to the Netherlands Bank. The German Kommissar of the Reich, Seyss-Inquart, exacted that the Netherlands Bank make advances in florins to assure the equilibrium of the clearing arrangement, since Germany could furnish no equivalent in merchandise. On the other hand, and moreover, it was decided that the clearing system should be utilized as well for the delivery of merchandise as for the payment of any debts. In point of fact the Germans could therefore buy merchandise and titles to moveable property in Holland without furnishing any equivalent. The credits in marks of the Netherlands sellers were blocked in the Dutch Bank, which for its part had beer obliged to make an equivalent advance on the clearing exchange.

To attempt to limit the worsening of the Dutch account on the clearing exchange, and to avoid the transfer by this means of florins or of transferable stock into Germany, on the 8th of October, 1940, the Secretary General of Netherlands Finance imposed a sizeable tax on the marks that were blocked on the clearing exchange. However, under date of the 31st of March, 1941, the credit of the Netherlands exceeded 400,000,000 florins, which in

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fact had been advanced by the Netherlands State. At this point the occupants demanded first of all that a sum of 300,000,000 florins be raised on the balance of 400,000,000 and deposited in the German treasury under the heading of "Military Occupation Costs," outside of the Netherlands countries, and this independently of payments already made for the occupation costs that had been paid by this country. Second, by a decision of the Reich Kommissar under date of the 31st of March, 1941, reported in the Verordnungsblatt, No. 14, which I submit to the Tribunal under No. 124, the payment operations with the Reich were no longer to pass through the clearing exchange but to be operated directly from bank to bank, which would create direct credits of the Netherlands banks on the German banks at the imposed exchange of 100 marks for 75.36 florins. Third, by a decree of the same date, 31 March 1941, which I submit under No. 125, the tax on the blocked marks created on the 8th of October, 1940, by the Netherlands authorities was abolished. In the presence of this situation, particularly dangerous to the Netherlands treasury, Mr. Trip resigned his functions as Secretary-General for Finance and President of the Netherlands Bank. The Reich Kommissar replaced him with Rost von Tonninge a notorious collaborator who yielded to all the demands of the occupying powe

As the private banks were unwilling to keep credits in marks at the very disadvantageous exchange, at the real parity of 100 marks in exchange for 75.36 florins, they transferred them to the Netherlands Bank. The credit account of the Emmission Institute on Germany through the operations made with this country rose very considerably, while the credit balance on the date of 1 April 1941 amounted to 235,000,000 florins. It was to rise by the 1st of May, 1945, to 4,488,000,000 florins. According to the information given by the Netherlands Government, this credit is accounted for by purchases made by the Germans in Holland of merchandise of all kinds, of transferable stock or other stock to regulation of service impositions, imposed upon the Netherlands enterprises in payment of wages deported to Germany and to the mortgaging of debts incurred by the occupant.

Aside from these two procedures, indemnities for the occupation troops, and clearing, the Germans were to procure themselves recourses in a different way by imposing collective fines, and this in violation of the provisions of

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Article 50 of the Hague Convention.

In the course of the occupation, under every pretext the Germans imposed by way of reprisal or indemnity, considerable fines upon the municipalities. These fines were to be paid by the inhabitants, with the exception of persons of German nationality, members of pro-Nazi associations and NSV, Waffen SS, and NSKK technical aid services of the Netherlands, and cultural supervisors, etc., and of persons working for the Germans. According to information which has been obtained up to the present, out of 62 municipalities, the total of fines thus imposed amounts to a minimum of 20,253,044 florins. This is based on testimony of the Netherlands Government, which I submit under No.126.

In the archives left behind by the Germans at The Hague there have been discovered two copies of letters relative to these collective fines. According to the first of these copies, which is a letter of March 7, 1941, collective fines amounting to 18,500,000 florins had been raised at the beginning of the year 1941. From the second, we learn that Hitler had given the order to employ this sum for National Socialist propaganda in the Netherlands. The report --

THE PRESIDENT: Where are those letters?

M. GERTHOFER: These letters are intestimony, which I presented under No. 126 of the French documentation.

THE PRESIDENT: Will you read the passages which you consider material?

M. GERTHOFER: (reading) "Kommissar of the Reich, 1808 and from the 8341; the General Staff Liaison, General Staff in Berlin, for immediate transmission to the Reichsleiter, M. Bormann. The sum of 18,000,000 florins representing the contribution exacted from certain Dutch towns by way of reprisals will arrive in the next few days. The Reich Kommissar asks if the Fuehrer wishes to place this sum to a definite use or if it is to be utilized in the same manner as the Fuehrer had ordered on the occasion of the confiscation of enemy property. The Fuehrer had decided at this time that the sums should be placed at the disposal of the Netherlands for the needs of the country, not losing sight of the fact of the political principles. Hitler. Signed High Minister, General Commissioner."

This, then, is the translation of the answer.

"Reich. Hitler. M. Bormann"--

THE PRESIDENT: Some of the copies which you have just submitted to us

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don't seem to be accurate and the passage which you have just been reading is omitted from some of them. Perhaps it would be best, if you haven't got other copies, I will pass this one along.

I now have another copy of the document which you have read out -- two copies which have been handed up, and they appear to be wrongly copied in some way. I will hand them down again.

M. GERTHOFER: The document has possibly been improperly numbered. It should have been indicated 126-one and 126-two. The first one from the Netherlands representative certifies the exactness of the translation of the first copy, and in the second "126" document the same representative of the Netherlands Government certifies the existence of the copy of the answer of the General Staff of the Fuehrer.

THE PRESIDENT: Just hand up the document again, the one I have handed down, will you? (This was done) The first document is the one y ou have just read out. The second document begins with the words, "J'ai soumis aujourdhui." Is that the second document to which you are referring? Perhaps you had better look at it. Look at that and see whether that is it.

M. GERTHOFER: It is the second document.

THE PRESIDENT: Did you use the second document?

M. GERTHOFER: It is the second document.

THE PRESIDENT: It is the same one.

M. GERTHOFER: It is the second document.

THE PRESIDENT: Could we see the originals? (Handed up.)

They are two different documents, are they? But they both begin in exactly the same way.

M. GERTHOFER: The two documents have been submitted by the Dutch Government. The person who reported them represents the Netherlands Government and certifies that these documents were found in the Netherlands among the German papers.

M. GERTHOFER: The Dutch Government was obliged to make important payments on the account of the Germans, and in the reports submitted under No. 123, it brings out notably,

First: The Germans exacted that a sum of 300,000,000 Florins which was inscribed to the credit of the Netherlands Bank, be used for the needs of its army of occupation outside the Netherlands and that a sum of 76,800,000

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Florins be deposited in gold for the same use. The total which the Netherlands had to pay on this pretext, in violation of the Hague Convention, was 376,800,000.

Second: From June 1941, on, the Netherlands were obliged to pay, to contribute to the expenses of the war against Russia, a monthly sum of 37,500 Florins, of which a part was payable in gold. The total of the sum that Germany raised under this heading is 1,696,000,000 Florins.

Third: The Netherlands Bank was obliged to assume the charge of the reimbursement of Reichskreditkasse notes to a sum of 133,600,000 Florins.

Fourth: The expenses of the German civil government in Holland was charged to this country and amounted to 173,800,000 Florins.

Fifth: The Dutch Treasury, was, moreover, obliged to pay 414,500,000 Florins for the account of the Reich, including diverse expenses, such as the wages of Netherland workers deported to Germany, the costs of evacuation of certain regions, demolition costs, costs of fortifications, so-called costs for the watching of railroads, the guarding of railroads, funds placed at the disposal of the Reichskommissar, and for various industries utilized by the Germans.

Sixth: The Germans, in July 1940, seized 816 bars of gold bullion belonging to the Netherlands Bank, which were in the wreck of a Dutch ship sunk in Rotterdam representing and including the costs of recovery, 21,100,000 Florins.

Finally, and seventh: The State of the Netherlands was obliged to bear annual expenses of 1,713,000 Florins to assure the financing of new administrative services imposed on Holland by the occupying power, this amounting to 8,565,000,000 Florins. The total including the raising of the gold from the sunken ship and the payments made for Germany, amounts to 11,380,800,000 Florins. If one adds these costs to the costs of occupation and of clearing, the total of the financial charges imposed on Holland during the occupation, amounts to the sum of 22,224,800,000 Florins. These operations had serious consequences for the Netherlands economy. Indeed, the gold supply which on April 1, 1940 amounted to 1,236,000,000 Florins, had by the 1st of April 1945, fallen to 932,000,000 Florins.

The second effect: The money circulation on the contrary had risen from 1,127,000,000 Florins on the 1st of April 1940, to 5,468,000,000 Florins on

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1 April 1945.

When the Germans occupied the Netherlands, a great portion of the Netherlands bank had been evacuated abroad; however, the Germans seized all the gold that was to be found in the bank under various pretexts. I will recall that under the heading of Indemnity Payment, Occupation Indemnity Payment, they collected 75,000,000 Florins in gold for the forced contribution of the Netherlands against Russia, and they altogether demanded 144,000,000 Florins in Gold.

Rost von Tonningen, General Secretary of Finance and President of the Netherlands Bank, named by the Germans, wrote on 18 December 1943, to the Reichskommissar, that there was no more gold in Holland since the month of March preceding. The copy of this letter is submitted under the number of 127 This results from a document discovered by the Army of the United States, liste under No. ECO-24, in which I submit under No. 128, a document which constituted a report to the Bank Kommissar, Belgium, of 12 June 1941, who also points out that the gold stock of the Netherlands Bank amounted on 12 June 1941, to 1,021,800,000 Florins, of which only 134,600,000 were in Holland, the rest being either in England or in South Africa or in the United States.

The same report specifies that all the gold of Holland had been removed.

Not only did the Germans seize the gold of the Dutch Bank but they also raised -- collected gold by means of payments in possession of thepopulation. The occupying power obliged private individuals to deposit gold with them which was in their possession, with the Netherlands Bank and then they requisitioned this gold which they handed over to the Reichsbank. A sum of approximately 71,000,000 Florins was paid to the public in exchange for the gold which was thus requisitioned.

It is thus, also, that the Germans bought from the public various foreign values to a sum of 13,224,000 Florins and Swedish public funds to a sum of 4,623,100 Florins. By the aid of important financial means which they had at their disposal, the Germans proceeded to make important

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acquisitions in Holland. Such acquisitions made by means of funds which were obtained forcibly in the Netherlands, cannot be considered to have been in exchange of a real equivalent but only obtained by means of defective payments. The Germans, alongside a numerous number of cases of requisitions which were followed by no kind of settlement, proceeded to obtaining in a clandestine way on the black market and to make acquisitions also which were in appearance irregular. They thus obtained a quantity of things of all kinds, leaving to the population only a minimum of products and goods which were insufficient to insure their vital needs.

In the second chapter of this presentation, we shall examine the secret purchases on the black market, and in a third chapter, the acquisitions that were carried out in apparently irregular ways. In the purchases on the black market, as in all the other occupied countries, the Germans in Holland seized considerable quantities of merchandise on the black market, in violation of the legislation on rationing which they themselves had imposed.

It has not been possible, in view of the secret nature of the operations to determine even approximately the quantities of objects of all kinds which the Germans seized by this dishonest method. However, the secret report of the German Colonel Veltjens, which I submitted this morning under No. 112, gives us for a period of five months from July to the end of November of the same year, some indications of the scope of the German acquisitions.

I quote a passage from the Veltjens report in the Netherlands from the beginning of the "action" against the ordinary flow of exchange in the banks.

| | | |
|---|---|---|
| Nonferrous metals, | 6,700,744. | Reichmarks. |
| Textiles, | 55,285,000. | " |
| Wool, | 753,378. | " |
| Skins and furs, | 4,723,130. | " |
| Fuel-wood, | 254,982. | " |
| Furniture, | 272,990. | " |
| Food, | 590,859. | " |
| Chemical and food products, | 152,191. | " |
| Various rags, | 543,416. | " |
| Motor oils | 52,824. | " |

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| | |
|---|---|
| Crude diamonds, | 25,064. Reichmarks. |
| Various products, | 531,890. " |

A total for a period of five months, of 73,685,162 Reichmarks. These purchases were regulated by manipulation of the banks. A large quantity of other merchandise which, it has been impossible to determine, was effected by cash purchases carried out with Florins coming from the so-called occupation indemnity.

THE PRESIDENT: We will adjourn now for ten minutes.

(Whereupon, at 1520 hours a ten-minute recess was called.)

As to Chapter 3 which treats the economic plundering of the Netherlands, we will treat the question of acquisition of apparent regularity further as result of the requisition followed or not by an appreciative payment, or as a result of individual purchases, or by individual or official organizations, the Germans made considerable acquisitions.

Industrial production: The Germans utilized to their own profit the greater part of the industrial activity of the Netherlands. All important stocks which were in the factories were thus absorbed, and their value being not less than 8,000,000 florins. They proceeded to remove enormous machines, and in certain cases these requisitions were not even followed by fictitious settlements. It has not been possible to establish as yet a balance sheet of these spoilations which even included all the machine equipment of an industry. As for example, we may indicate that on a requisition order of 4 March 1943, coming from the Reichkommisar of the machine apparatus and technical equipment, including the drawings and blue prints, and all the work shops and accessories, of the smelting works, of an important factory, were removed without any indemnity, and transported to the vicinity of Brunswick for the benefit of the Hermann Goering Werks. This is manifest in document I submit under No. 130.

The Germans had set up in all the occupied countries a certain number of organizations in charge of the pillaging of machines. They had given them the name of Bureau of Compansation for Machine Organizations, which were subordinate to the extension of armaments, which received the reports for machines of

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production for the German industry and up to then to satisfy these by levies in the occupied countries.

Moreover, detachment of technicians were charged with locating, dismantling and transporting the machines into Germany. The organization of these official detachments of pillagers can be learned from German documents which are being brought to your knowledge when the specific case of Belgium will be outlined to you, and before you.

We learned from the report of one of March 1944, addressed to the Military command, that the Bureau of Machine Compensation of the Hague, that there they were able to satisfy only a small proportion of the demands. Thus, under date of 1 January 1944, these demands totalled 677,000,000 Reichmarks, where as in the month of January only 61,000,000 marks worth of machines had been delivered as against new demands, amounting to 87,000,000, so that the total demand for machines amounted to 703,000,000 in Reichsmarks at the end of the month of January 1944. Before leaving the Netherlands the Germans effected large scale destructions with a strategic aim, as they said, but above all in the desire to cause damage. Then they destroyed the factories, they previously removed and transported to Germany the machinery which they could dismantle, as well as the raw materials. Thus, they acted in this manner, notably with respect to Phillips Factory, Eindhoven, Hilversum, Bussum, and all the oil dumps of Amsterdam and Pernes, at the armament factories of Breda, Tilburg, Bergen-op-Zoom, and Dordrecht. These facts are treated in the report of the economic officer attached to the Military Commander in Holland, under date 9 October 1944 which I submit under No. 132. The same report gives some confirmation of the organization of the specialized German looters for the removal of machines of which I give here an extract.

Phillips factory in Eindhoven was the most important of the objectives. The military interest attacked in spite of great difficulties lacked the explanation of specialized manpower, for theexploitation, or threat of the enemy tanks and absence of any direction in the exploitation resulting from the military situation, that it was possible to carry out the necessary preparations for the execution of the Zee measures before the arrival of the enemy, and to destroy this factory, one of the most important of the continent in the

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manufacturing of radios, tubes, electric lamps, and the production of telegraph supplies. This destruction was carried out under the members of the FWI Kdo-7 that had proceeded to transfer of the most precious metals of the special machines. Aside from destruction carried out in the Phillips Factories, on the indication of FWI-O-, and with the authorization of the O-QU-WBM, the destruction of forty oil reservoirs were carried out on the Amsterdam Oil dumps, as well as the destruction of 800 Oil reservoirs of the dumps of Parnes near Rotterdam. This destruction by explosives were carried out by elements of the 18th German Battalion.

In the zone of the AOK-15 command of the Netherland, especially in the towns of Breda, Tilburg, Bussum, Bergen-op-Zoom and Dordrecht, all preparations for the carrying out of the Zee measures were entirely completed, and thus, in the case of enemy attack, the destruction of these towns as the objectives of military interest could be destroyed as soon as the orders were given.

More and more the aid of the FWI-O was required to cover the immediate needs of the troops. Inspector Tetar of the FWI Bureau, who was in charge of the A.O.K. 15, of these matters received the necessary assistance in providing these assistance. On 7 December a commando detachment transferred to the Reich by trucks important non-ferous metal, manganese copper, and relatively of very great value that were all found at the Phillips Factories. Moreover at the Phillips factory the FWI KDO-7 participated in the transfer of official products and half finished products as well as the machines after the occupation of Eindhoven by the enemy, and the transfer had to be interrupted.

The evacuation of branches of the Phillips Factories in Hilbersum and Bussum was undertaken. There it was possible to transfer wholly all the reserve in on-ferous metals, finished and half finished products, machines, and manufactured parts, and castings. At the same time commando gangs were organized in conjunction with each chief of the service attached to the general delegate of the Reichminister for armaments and war production in the Netherlands as instituted in each province. These commando units were organized to carry out the transfer of raw material, and valuable products, as well as the machines in conjunction with the aforementioned services, and the related

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civil service, and with the total and necessary recruiting of officers, and officials of the Sonderfuehrer, and number of crews, it was possible to transfer to the Reich a very considerable quantity of non-ferous metals or raw materials, and in a given number of cases the material available was placed at the disposal of the Army.

The FWI-O-NDL was in charge of this operation in the west and south region of Netherland. The FWI Kdo-7 entrusted elements of the Army under the command of Captain Raeder to proceed to the removals and to the preparations dictated by the Arlz measures in the command contained in A.O.K.15, in collaboration with the civilian services, and Section 4 of the A.O.K.15, and it was possible to carry out a successful piece of work on the transfer of raw materials, or rare products, as well as the machines. These operations began only at the end of the month of September 1944.

Section 2: Aside from the stocks located in the factories, the Germans acquired considerable quantities of raw materials in stock and manufactured goods, which economic total amounts to not less than one billion Florins, and these evaluation does not include the destruction through acts

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of war, which amounted to 300,000,000 Florins.

AGRICULTURE: The Germans proceeded to make requisitions and wholesale purchases of agriculture produce, and of livestock. These levies amounted to a minimum of 300,000,000 Florins, and it has not as yet been possible to make a final estimate. To give an idea of the magnitude of these levies, let's point out that at the end of the year of 1943 the Germans had seized 500,000 hogs, 275,000 cows, heads of cattle, 30,000 tons of preserved meats. The data does not include individual purchases, and shows up in the statistics given us by a representative of the Netherland Government, and which I submit under No.133.

Let's point out, although this question will be taken up again by my colleague, who will present for you the war crimes against persons, but on 12April 1944 without any apparent strategic reason twenty hectar of cultivated lands were flooded at Berrige Mer.

4. Transports and Communications: The Germans made enormous levies, and it is not yet possible to draw up an exact inventory of them, and nevertheless the information given by the Netherland Government makes it possible to form an idea of the order of magnitude in these spoliations. I submit this document under No. 134. Information given by a representative of the Netherland Government as concerns transport and communication, here is a summary.

(A): Railways, 490 locomotives were levied out of a total of 890, they were levied out. 890 coaches were levied out of a total of 30,000. 1456 passenger coaches were levied out of a total of 1750. 215 electric trains out of a total of 300. Deisel electric trains, 36 out of 37. In general the little material that was left by the Germans was damaged, either by wear, or either in the regular act of sabotage.

In addition to the rolling stock, the Germans sent to the Reich considerable quantities of rails, signals, cranes, turntables, and repair cars, etc.

(B): TRAMWAYS. The material of the towns of Hague and Rotterdam were removed to German towns. Thus, for example, some 50 carriages and 42 traile were sent to Bremen and Hamburg. Considerable amount of rails, cables and

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other accessories were removed and transported to Germany. The motor buses of the streetcar companies were likewise taken by the occupying power.

(C): Automobiles, motorcycles, bicycles, the Germans seized the greater part of the automobiles, motorcycles, and bicycles, for instance, a million, and they left the population only machines which were not in running condition.

(D): Navigation: The Germans seized a considerable number of bridges, and all river vessels, as well as a considerable proportion of the important part of the merchant navy, totalling about one million and a half tons.

(E): Post Office supplies: The Germans seized a great number of telephon and telegraph apparatus, the amount of which has not yet been possible to compute, but that it is in exactness 600,000 apparatuses were confiscated.

We now come to Chapter 4, miscellaneous spoliation, forced labor for the occupant, following that information given by the Netherlands Government, which I submit under No. 135, a great number of Netherland workers were obliged to work either in Holland, orin Germany. About 450,000 were deported into the Reich. This was to represent a considerable number of manhours of loss to the Netherland material productivity.

Plunder of the Royal Palaces: The furniture, private archives, stable carriages, and tools were stolen by the Germans. In particular the products, or tools of Morredinde were entirely looted, as well as the movable contents, including the furniture, linen, silverware, paintings, tapestries, art objects, and household utensils from the place. A great number of these things were removed, and were used for clinic for the attorney general. The archives of the Royal family were likewise stolen. This is manifest by a report given by the representative of the NetherlandGovernment, and which I submit under No. 136.

Besides the numerous cases of individual looting, which we are not mentioning in this present statement, there were many cases where entire towns were systematically plundered. In this manner the town of Arnhen was looted in October or November, 1944. The Germans had had miners come in from Essen and under military leadership they proceeded in specialized gangs to remove all the removable furniture as well as to remove very valuable objects to send to Germany. This is manifest in the attestation

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given by the fepresentative of the Netherland Government, and which I submit under the number 137.

The consequences of economic plundering in the Netherlands are very considerable. We shall just mention that the enormous decrees of the national capital will have as corollary a production very inferior to the needs of the country through many years to come yet. But the gravest consequence of rule is that which effects public health, seeing that it is not to be impaired. The excessive rationing for many years of food stuffs and fuel, which was ordered by the occupant so as to increase the extent of its spoliation has brought about a weakening of the population. The average of the calories consumed by the inhabitants, which varied between 2,800 and 3,000 went down in strong proportions, reaching about 1,800 calories to finally 400 calories in April, 1945.

Starting from the summer of 1944, the food situation became more and more precarious. The Kommissar of the Reich, Seyss-Inquart, forbade the transport of food stuffs between the southern and northern zones of the country. This measure, which was not justified by any military operation, seems only to have been dictated by hatred of the population so as to oppress them, intimidate them, weaken them, terrorize them. It is only around the end of March, 1944, that this inhuman measure was done away with, but it was too late. The famine had become general. The death rate in the towns of Amsterdam, The Hague, Leiden, Delft, and Gouda increased very considerably, passing from 198 to 60 per cent. Illnesses which had almost disappeared from these regions reappeared again. This situation will have an irreparable consequence on the future of the population. These facts are manifest in two reports which I submit under the numbers 139 and 140.

By ordering such severe rationing measures to get for themselves products which were indispensable to the existence of the Netherlanders, which were contrary to all principles of International Law, I may say that the German leaders have committed one of their greatest crimes.

My explanations concerning Holland are finished. My colleague, Mr. Delpech, will now state the case for Belgium.

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M. DELPECH: Mr. President, gentlemen, I have the honor of presenting to the Tribunal a statement on the economic plundering of Belgium.

As early as 1940 the National Socialist leaders had the intention of invading Belgium and Holland on the Northern fronts. They knew full well that they should find there the raw materials, equipment, and concerns which would enable them to increase their war potency. As soon as Belgium had been occupied, the German military administration did its best to get the maximum benefit from its occupation. To this aim the German leaders took a series of measures to block all the existing bridges and to seize all the means of payments. The important stocks which had been constituted in 1936 to 1938 became the object of requisition. The machines and equipment of numerous enterprises were moved and sent to Germany, bringing about the closing down of numerous factories and a close concentration in many sectors.

Seeing the very industrial character of this country, the occupying authorities imposed a very heavy tribute upon the Belgian industries, but the agriculture was not spared either.

Chapter 3 treats with these measures. This will be sub- divided into four chapters. Chapter I treats with the German seizure on the means of payment. The second chapter will treat the secret purchases on the black market. Chapter 3 will treat the acquisitions of regular appliances. The fourth chapter will concern the leaders of services. In the fifth chapter we will treat the acquisition of Belgian investments in foreign concerns and shall be presented to the Tribunal before we'll pass on to the conclusion attaching on the public health. Finally, a few observations will be presented concerning the conduct of the Germans after they had annexed the Grand Duchy of Luxembourg.

Chapter 1: German seizure on the means of payment. To enslave the country from an economic point of view, the most simple method was to secure the possession of the majority of the means of payment and to make impossible the export of currency and the values of all kinds. There is an order of the 17th of June, 1940, which forbids the export of currency and the values of

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all kinds. This order was published in the special Verordnungsblatt for Belgium and for Northern France and will hereafter be called "V.O.B.E.L.". This order was published as "V.O.B.E.L. NO.2" and is submitted under the number 98. In the V.O.B.E.L. of the same date appeared a notice dated the 9th of May, 1940. It regulated the issuing of notes of the Reichskreditkasse

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for supplying the troops of occupation with means of payment.

The Germans had once the possibility of buying without furnishing any compensating consideration all they desired in a country which had products of any kind, and inhabitants did not have the possibility of denying the invader their property.

The occupants used three other methods to seize the majority of the means of payment. These three methods were the creation of an issuing bank; the imposition of attributive war and a pretext of the maintenance of the troops of occupation; the functioning of a system of clearing was some profit. These measures will be treated in three parts, which I will hereafter develop.

Section 1: Creation of an issuing bank. As soon as they arrived in Belgium the Germans created an office for supervising banks, entrusted at the same time with the control of the National Belgian Bank, the creation which was ordered on the 14th of June 1940.

V.O.B.E.L. No. 2, which I submit under the number 141. At this time the direction of the National Belgian Bank was outside of the occupied territories. On the other hand, the total sum of notes on hand would be insufficient to insure a normal circulation, as a great number of Belgians had fled the invasion, taking with them an important quantity of paper money. At least these are the reasons that the Germans invoked to create an issuing bank by order of the 29th of June, 1940.

V.O.B.E.L. No. 4 and 5, which I submit under number 142. By virtue of this last order the new issuing bank had a capital of 150,000,000 Belgian francs, 20% of which had been issued in cash, and a new issuing bank received the monopoly for issuing paper money in Belgian francs. As a matter of fact, the National Bank of Belgium did no more have the right of issuing money. The cover of the issuing bank was not in gold but by, first of all, credits

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resulting from discount operations and from loans which were consented in conformity with Article 8 of the new statutes.

2. The circular was represented by the credits on the National Bank of Belgium as well as in coins which were in circulation for the account of the public treasury.

Thirdly: the third element was a decisive falling in German currency, including notes on the Reichskreditkasse as well as the assets at the Reichsbank, and the Compensation Office of the Reich, and of the Reichskreditkasse. The German Kommissar, who had been appointed by decree of the 26th of June, 1940, also controlled the issuing bank. The decree of the 26th of June, 1940, was published in V.O.B.E.L., No. 3, page 88, and is submitted under the number 143.

After the return to Belgium of the Directors of the National Bank an agreement was realized on the 10th of July, 1940, between this bank and the new issuing bank. The director of the National Bank of Belgium was appointed director of the issuing bank. The issuing bank proceeded to issue a great number of notes. On the 8th of May, 1940, the figures for circulation amounted to 29,800,000,000 Belgian francs. On the 29th of December, 1943, it amounted to 83,200,000,000 Belgian francs, and on the 31st of August, 1944, it was 100,200,000,000 Belgian francs, that is to say, an increase of 236%.

The issuing bank worked, but not without certain difficulties, either with the military commandant, its own staff, or with the National Belgian Bank. Besides its role of issuing institute, the new bank had the following attributes: the operations relating to postal checks and to change, as well as the operations with the German organizations, notably as concerned the indemnity of occupation, the clearing. The National Belgian Bank lost its right of issuing paper money, but resumed its traditional operations for

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the account of private individuals and of the State, also, notably, the operations of open market.

These data are corroborated by the final report of the German Military Administration in Belgium, 9th part, treating of currency and finances. This report was discovered by the U.S. Army and we shall refer to the document many times. It is No. DH-5, and is submitted to the Tribunal under the number 144.

The 8th part, which is of interest here, was written by three chiefs, Wetter, Hofrichter and Jost.

In spite of the creation of the issuing bank, the notes of the Reichskreditkasse were valid in Belgium until August, 1942, but it was the National Belgian Bank that was obliged to absorb these notes in September, 1944, and owing to this the Belgian economy underwent a loss of 3,567,000,000 francs. This number is given by Wetter in the foregoing report, page 112, excerpt of the report, which is given under the number 145.

Moreover, the following information was given by the Belgian Government. The issuing bank had in hand at the moment of liberation a sum totalling 664,000,000 worth of notes of the Reichskreditkasse issued in Reichsmarks, and also had assets at a transfer account at the Reichskreditkasse. That is to say, the total loss came to 656,000,000 francs. This number is given in a report of the Belgian Government which is deposed in the archives of the Tribunal under No. 146.

Let us now treat the expenses of occupation. Article 49 of the Hague Convention stipulates that if the occupant leaves his contributions in cash it will only be for the needs of the Army of occupation or for the administration of the territory. The occupant can, therefore, leave a contribution for the maintenance of his army, but this must not exceed a strictly limited sum. On the other hand, the words "needs of the army of occupation" do not mean the expenses

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for armament and equipment, but solely billeting expenses; expenses for the food and the pay, normal pay, which excludes luxury expenses.

Moreover, Article 52 authorizes the occupying authority to exact, for the uses of his army, requisitions in kind and in service, on the express condition that they shall be proportionate with the resources of the country, and that they should not imply for the populations the obligation to take part in military occupations against their own country.

The same Article 52 stipulates, moreover, that levies in kind will be, as far as possible, paid in cash.

THE PRESIDENT: Don't you think you might omit further references to these articles as we have already had them fully covered by your colleague?

M. DELPECH: Consequently the Germans exacted a monthly indemnity of 1,000,000,000 up to August 1941. At that date the indemnity was increased to 1,500,000,000 per month. By the end of August 1944, the payments which had been made totaled 67,000,000,000 French francs. This number cannot be contested by the Defense, seeing that in the report quoted, pages 103 and 104, it is said that in June 1944 the total sum of Belgian francs paid to the army of occupation was 64,181,000,000. This is deposed under No. 147.

This sum of 64,000,000,000 was completely out of proportion with the needs of the occupying army. This is notably manifest in the report of Wetter, in a passage that I depose under No. 148. On

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page 245 of this report it is said that on the 17th of January 1941 the general who was commanding officer in Belgium had requested the superior command of the Army that -- rather, the indemnity did not have to cover only the expenses of occupation. This point of view was not accepted by the High Command, who, by decree of the 21st of October 1941 specified that the indemnity of occupation was to be used not only for the needs of the occupying army, but also those of the operating armies.

Moreover, page 11 of the original German text -- the same text -- says -- and I will quote an excerpt which will be found in the book of documents under No. 149, the second paragraph:

"The increase of expenses of the Wehrmacht made it clear that it would be impossible to meet these expenses with these sums. The administration demanded an expiration of account of all occupation expenses in detracting from this account all expenses which were foreign to the occupation itself. This concerns important expenses which the military services went into for buying horses, motor cars, equipment, things which were destined for other countries, and which were put down to the account of occupation expenses.

"By decision of the administrative chief, dated the 11th of June 1941, the financing of the expenses other than those for the occupation were passed on to the clearing. In carrying out of this decision the military command demanded, from the month of June, 1941, a monthly report on all expenses other than those destined to the occupation, but which were paid under account of expenses of occupation and transfers to the clearing. That is, important sums were recuperated and were to the benefit of the expenses of occupation."

Before finishing that, it is important to say that the Germans had already exacted, by order of the 17th of December 1940, No. 150, that all expenses of billeting of their troops should be put to the charge of Belgium. Owing to this, this country had to meet expenses totaling 5,900,000,000 francs, which went for the billeting of the German troops, expenses for the establishment, furniture, and so forth.

In his report he says, page 104, submitted under Number 147, that at the end of June, 1944, the Belgian payments relating to the billeting of

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troops totaled 423 million francs.

We now come to the third part of the clearing.

The issuing of notes of the Reichskreditkasse, the tribute of war, called indemnity of occupation, was not sufficient for Germany. Her leaders created a system of clearing which enabled them to procure means of payment totalling 62,200,000,000 Belgian francs.

As soon as they arrived in Belgium, by decree, on the 10th of July, 7th of August and 7th of December, 1940, Number 151, 152 and 153 of the Book of Documents, the Germans decided:

One, that all the debtors living in Belgium to creditors in Germany would be paid into an account called the "Deutche Verrechnungskasse", which was opened in the books of the National Belgian Bank in Brussels. This was in belgas in spite of the advice concerning currency as of 17 June, 1940, and to which I made allusion im connection with the blocking of the means of payment in Belgium.

By decision of 4 August, 1940, it was moreover prescribed that the carrying out of the clearing would be entrusted from there on no longer to the National Belgian Bank but to the issuing bank of Brussels, which as I have already had the honor of saying, had been created by the occupant and was under his absolute control.

Second, the Germans decided, that all debtors, living in the Reich, would pay their Belgian creditors by means of the open account at the Belgian bank at the following rate of exchange, one hundred belgas equal forty marks, that is to say one mark for 12.50 Belgian francs.

These decrees were extended to the countries occupied by Germany, with a view to favoring the operations in this country and even were extended to certain neutral countries by divers similar decisions, which were published in the V.O.B.E.L. The mission of the issuing bank at Brussels consisted, therefore, in receiving payments from all persons or organizations established in Belgium and to whom foreign countries owed something. In other words, every time that an exporter delivered goods to the importer of another country and members of the clearing, it was the issuing bank which paid his bill and which wrote down in his book an equivalent amount as on the "Deutsche Reichskasse" in Berlin.

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In case of imports, the opposite operation took place. In fact, under the German leadership, this system functioned to the detriment of the Belgians collectively, which at the moment of the liberation was creditor in the clearing of 62,665,000,000 francs. It was the National Belgian Bank which had been forced to make advances to the issuing bank so as to counter-balance the account of the "Deutsche Reichskasse."

A good number of operations which were made through the channels of the clearing had no commercial character but were purely military or political expenses. The following information comes from the Belgian government. The clearing operations could be resumed in the following manner, and I draw my conclusions from this document, under Number 156. In the opposite of the movement, 93 per cent corresponded to the compensating Franco-German operation; for goods 93 per cent, for services, 91 per cent.

If you consider the part taken by, respectively, the goods, the services or the capital, one comes to the two following tables: the ensemble of the movements, clearings of Belgium with foreign countries, total on the second of September, 1944, the sum of 61,636,000,000 Belgian francs, of which 57,298,000,000 were for operations with Germany, four billion only with France, one billion with the Netherlands and 929,000,000 with other countries.

It is only in the sector of goods and services that the desequilibre is manifest. This was due, in greater part, to requisitions of property and services, which Germany did for her own benefit.

It is known that the so-called exports affected more especially metals and things wrought in metal, machines, textile products, nine-tenths of which were seized by the Reich, who made themselves, therefore, guilty of spoliation.

Concerning the transfer of capital, which during the first part of the occupation were particularly intense, they concerned the forced realization of the participation of Belgian capital in foreign countries as well as the enforced cession to German groups of Belgian assets blocked in Germany. No effective compensation was given in exchange; the transfer pertaining to services belonging primarily to the payments made for the

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use of the Belgian labor in foreign countries.

The creditors' balance of these services on the second of September, 1944 is as follows, in millions of Belgian francs: Ensemble of the clearing concerned services -- 20,116,000,000, that is to say for paying labor, 73 per cent of the total: for Germany alone, 18,272,000,000, that is to say, 72 per cent of the total amount: for France only 1,600,000 Belgian francs, of which -- well, that is to say a very small part.

They did not content themselves with requisitioning labor for forced work in Germany or in the occupied territories. The occupant forced Belgium to the following: She forced her to liquidate, in clearing, all the transferred sums and to send Belgian notes to the ReichsbankDirektorium in Berlin for the paying of the workers in national currency.

THE PRESIDENT: Do you think it is necessary to go into these clearing operations again? In each case of the various countries which have been dealt with the same clearing operations have taken place, havy they not? Then perhaps it is really unnecessary to do it over again for Belgium.

M. DELBECH: Very well, I will continue without insisting on this.

At all events, the Germans did all this and the numbers which have come out of the aforesaid reports can only strengthen

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the conclusions of our statement.

Before concluding with this chapter concerning the seizure of all the means of payment, I think we may signify that by an order under date of the 22 July 1940, the Germans had fixed the rate of the Belgian franc to 8 Reich pfennig, that is to say, 12.50 francs per one mark, and in the aforementioned report, Hitler writes in connection with this, page 37 and 38, a passage which I ask the Tribunal to allow me to read that this passage is in the Document Book, Number 158:

"The maintenance of the facto of the pre-war parity was of political importance because numerous people would have had the impression that a strong devaluation or a new modification was a maneuver of plundering.

The following observation in connection with this conception must be made. The occupants had no need in Belgium of decreeing, with the view of favoring their undertaking of economic plundering, that the Belgian franc should have a lesser value. As a matter of fact, contrary to that which had passed in France, they had at the moment they entered Belgium instituted new currency of which they had the control.

Lastly, let us just mention that Germany had taken over from the Vichy Government 221.730 Kilos of gold of value in 1939 of 9,500,000,000 francs, but as France had restituted this gold to Belgium, this question shall be treated when we discuss the economic plundering of France.

We shall now recapitulate the means of payment seized by the occupying army. A few numbers, notes of the Reichskreditkasse, 3,567,000,000; to various notes and accounts in the books of the Reichskreditkasse; 656,000,000; tribute of war under the pretext of indemnity of occupation, 67,000,000, to which we must also add the credit of balance of the clearing; 62,656,000,000. That is to say, a total sum of 133,888,000,000 Belgian francs, the Germans therefore seized as a minimum for over 130,000,000,000 Belgian francs, which they used for purchases of regular appearances, for the paying of requisitions, and to make secret purchases on the black market. These pretended purchases and requisitions will be treated in the following chapters.

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Chapter 2, secret purchases, black market. As in all of the other occupied territories, the Germans organized a black market in Belgium as early as October 1941, according to a secret report on the black market, called "Final Report of the Office of the Supervisor of the Military Commander in Belgium and in the North of France, concerning the legal abolishment of the black market in Belgium and in the North of France."

This report covers the period from the 13th of March 1942 to the 31st of May 1943, Document Number 159 of the book of documents. The reasons given by the Germans for this organization of the black market total three.

First reason: To abolish the competition on the black market between the various German buyers. In the second place, to use as well as they could the Belgian resources for their war effort. Thirdly, to do away with the pressure exercised on the general standard of prices and to avoid all danger of inflation which would end up by endangering the German currency.

This same report tells us at Page 3 and the following pages that an actual administration and organization was set up by the Germans for the carrying out of this policy.

The bookkeeping was assured by the Wehrmachtverrechnungskasse, which centralized in its books all the operations. The direction of the purchases was assured by a central organization, the name of which changed in the course of the years and which had a certain number of organizations subordinate to it, notably a whole series of purchasing offices.

The central organization was created following the decree of the military command in Belgium of the 20th of February 1942. It was created the 13th of the following March, and as soon as it was created it received directives which came from the delegate of the defendant Goering, Marshal of the State. This delegate was Lt. Col. Veltjens, of which we spoke this morning.

This organization was only established to coordinate the action of the legalization and of direction of the black market, such as had been decided upon and foreseen following conferences between the General Intendant, the military command of Belgium on the one hand, and the command of the Inspector for Armaments on the other hand.

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According to a declaration under date of the 16th of February 1942, coming from the Minister for Economics of the Reich, the aim was to continue to weaken the black market, according to various indications, in a legal form, and according to a directing idea, that one must take into account various elements to assure the acquisitions of the Reich.

This organization had its offices at Brussels. The purchases were assured by a certain number of specialized offices, the list of which is given at Page 5 of the aforementioned report. These organizations received their orders from the R.O.G.E.S., Rohstoff Handelsgesellschaft, which we mentioned when we began stating the case for the economic plundering of occidental Europe.

The role of the R.O.G.E.S. was very important in the organization of the black market. This role had four purposes. First of all, the directive of purchasing, once the authorization had been given for them by the central office of Brussels, was communicated by the R.O.G.E.S. to the purchasing offices according to their speciality.

Secondly, the delivery of goods bought and destined to the Reich were done through the R.O.G.E.S., who saw to it that they were distributed in Germany.

The R.O.G.E.S. financed the operations, and it was the R.O.G.E.S., lastly, which was entrusted with paying the difference between the rate of purchase, which was usually very high, because it was of course a black market price, and the official cost on the interior market of Germany, which was the definite rate of selling. The difference was covered through a false taxation which was fed by the account, expense of occupation, and on which the Minister of Finance for the Reich put sums to the disposal of the R.O.G.E.S. through the channel of the Minister of Economics.

The aforementioned report gives us a whole series of interesting particulars on the functioning of the central office. It is interesting to note that the central office of Brussels was created by an ordinance of the military head in Belgium, dated the 3rd of November 1942, and he had the mission of creating for the North of France a branch at Lille. At the same

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time, the Brussels office was authorized to give money to its branch in Lille.

In the book of documents under the Number 160 is mentioned a final report of the Lille office. This report, made out the 20th of May, 1943, gives a whole series of interesting particulars on the functioning of this organization.

THE PRESIDENT: It is 5:00 o'clock now. Perhaps, M. Delpech, I think it would be the wish of the Tribunal if it were possible for you to omit any parts of this document which are on precisely the same principles with those which have already been submitted to us in connection with the other countries. If you could, I think that would be for the convenience of the Tribunal. Of course, if there are any essential differences in the treatment of Belgium then no doubt you would draw our attention to them.

M. DELPECH: Certainly, your Honor.

(Whereupon at 1700 hours the hearing of the Tribunal adjourned)